



September 7, 2000

State of Utah
Division of Oil Gas & Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114


ATTENTION: Lisha Cordova

Dear Lisha,

Enclosed is the original and one copy of the Application For Permit To Drill the
CIGE # 246 NE/NW Sec. 2 T20S, R21E. Please contact me as soon as possible
in order to schedule an on-site date.

If you have questions or need additional information, please do not hesitate to call me,
(435) 781-7023.

Sincerely,


Cheryl Cameron
Sr. Regulatory Analyst

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
1368 S 1200 E • PO BOX 1148 • VERNAL UT 84078 • 435/789-4433 • FAX 435/789-4436

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

| DIVISION OF OIL, GAS AND MINING | | | | 5. Lease Designation and Serial Number: ML-22652 | |
|---|-----------------------|--|---------------|---|--|
| APPLICATION FOR PERMIT TO DRILL OR DEEPEN | | | | 6. If Indian, Allottee or Tribe Name: | |
| 1A. Type of Work <div style="display: flex; justify-content: space-around;"> DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> </div> | | | | 7. Unit Agreement Name: Natural Buttes | |
| B. Type of Well <div style="display: flex; justify-content: space-between;"> <div> OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/> </div> <div> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> </div> </div> | | | | 8. Farm or Lease Name: CIGE | |
| 2. Name of Operator: Coastal Oil & Gas Corporation | | | | 9. Well Number: #246 | |
| 3. Address and Telephone Number: P.O. Box 1148, Vernal UT 84078 (435) 781-7023 | | | | 10. Field and Pool, or Wildcat Natural Buttes | |
| 4. Location of Well (Footages) <div style="display: flex; justify-content: space-between;"> <div> At surface: 474' FNL & 2055' FWL At proposed proding zone: </div> <div style="text-align: center;"> 4426 8/3 N 626 296 E </div> </div> | | | | 11. Qtr/Qtr, Section, Township, Range, Meridian: NE/NW Sec. 2, T10S, R21E | |
| 14. Distance in miles and direction from nearest town or post office: 17.9 Miles Southwest of Ouray, UT | | | | 12. County Uintah | |
| | | | | 13. State: UT | |
| 15. Distance to nearest property or lease line (feet): 474' | | 16. Number of acres in lease: 489.92 | | 17. Number of acres assigned to this well: 40 | |
| 18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): Refer to Topo C | | 19. Proposed Depth: 6600 | | 20. Rotary or cable tools: Rotary | |
| 21. Elevations (show whether DR, RT, GR, etc.): 5093.5' Ungraded | | | | 22. Approximate date work will start: Upon Approval | |
| PROPOSED CASING AND CEMENTING PROGRAM | | | | | |
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT | |
| 11" | 8 5/8" | 24# | 250' | 90 sx Class G | |
| 7 7/8" | 4 1/2" | 11.6# | 6600' | 570 sx Prem Lite II | |
| | | | | 730 sx 50/50 POZ | |

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. Coastal Oil & Gas Corporation agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by Coastal Oil & Gas Corporation Nationwide Bond #U-605382-9. *St. Lease Bond 10/2/03. p*

24. Ceryl Cameron Title: Sr. Regulatory Analyst Date: 9/7/00
(This space for State use only)

Approved by the
Utah Division of
Oil, Gas and Mining

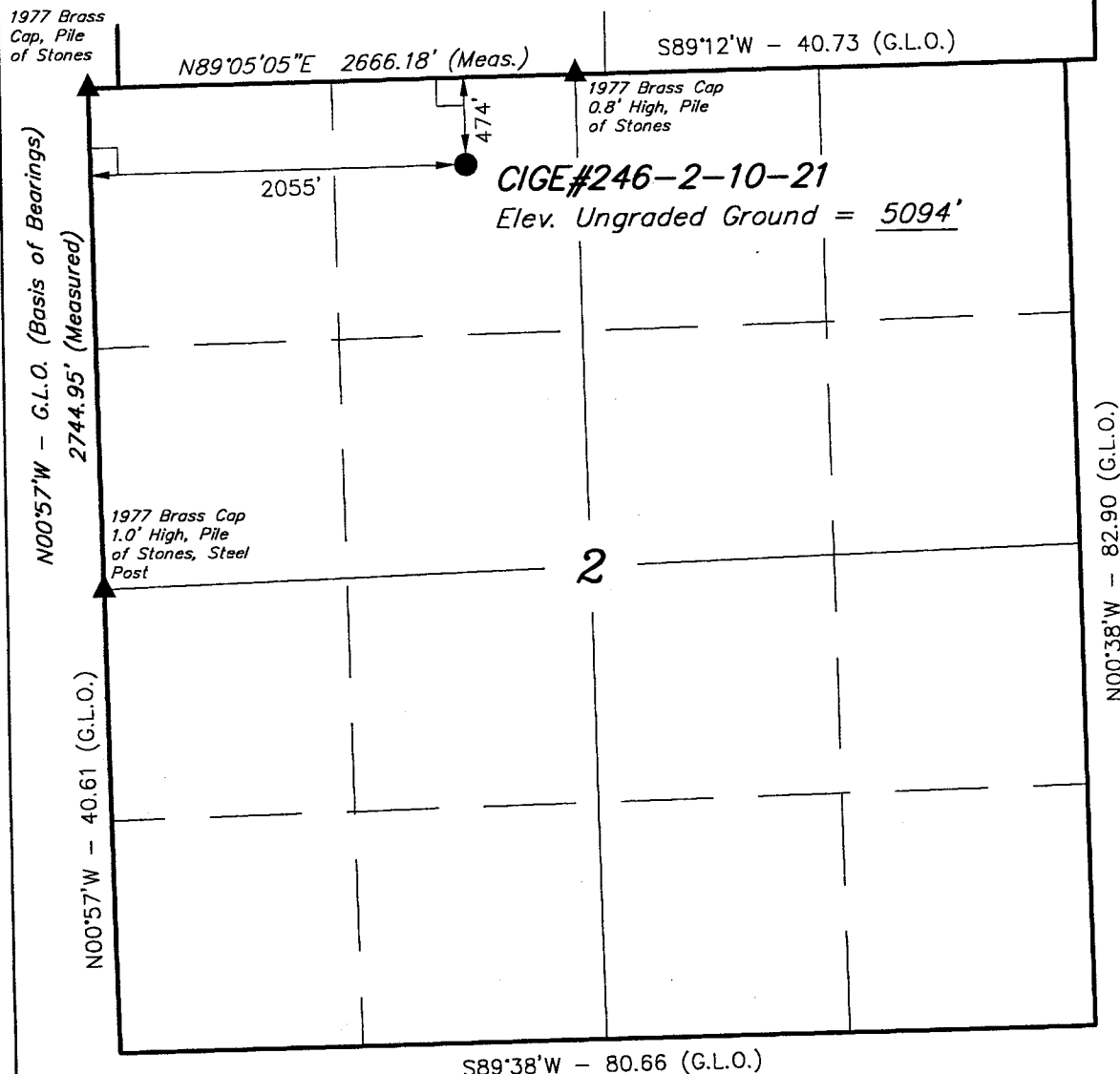
Date: 10/12/00
By: Bradley G. Hall

RECEIVED

SEP 11 2000

DIVISION OF OIL, GAS AND MINING

T10S, R21E, S.L.B.&M.



LEGEND:

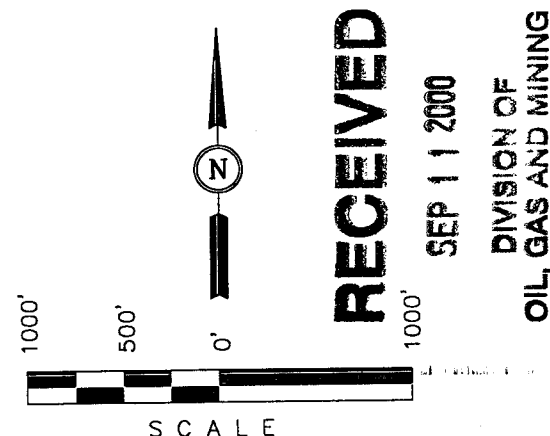
- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

COASTAL OIL & GAS CORP.

Well location, CIGE #246-2-10-21, located as shown in the NE 1/4 NW 1/4 of Section 2, T10S, R21E, S.L.B.&M., Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN. NE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAID ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH
 MAY 1999

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

| | | |
|---------------------------|---------------------------------|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 10-12-98 | DATE DRAWN: 10-15-98 |
| PARTY D.A. C.G. C.B.T. | REFERENCES G.L.O. PLAT | |
| WEATHER WARM | FILE COASTAL OIL & GAS CORP. | |

**CIGE #246
NE/NW Sec. 2, T10S, R21E
Uintah County, UT
ML-22652**

**ONSHORE ORDER NO. 1
COASTAL OIL & GAS CORPORATION**

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

| <u>Formation</u> | <u>Depth</u> |
|------------------|--------------|
| KB | 5100' |
| Green River | 1557' |
| Wasatch | 4672' |
| Total Depth | 6100' |

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

| <u>Substance</u> | <u>Formation</u> | <u>Depth</u> |
|------------------|------------------|--------------|
| | Green River | 1557' |
| Gas | Wasatch | 4672' |
| Water | N/A | |
| Other Minerals | N/A | |
| Total Depth | | 6100' |

3. Pressure Control Equipment (Schematic Attached)

The BOP stack will consist of one 11" 3,000 psi annular BOP, one 11" 3,000 psi double ram, and one 11' drilling spool. The lower ram will contain pipe rams, and the upper ram will contain blind rams.

The choke and kill lines and the choke manifold will have a 3,000 psi minimum pressure rating.

The hydrill will be tested to 1,500 psi. The rams, choke manifold, kelly safety valves, drill string safety valves, and inside BOP will be tested to 2,000 psi.

4. Proposed Casing & Cementing Program:

Refer to the attached Cement & Casing Program.

5. Drilling Fluids Program:

Refer to the attached Mud Program.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

6. **Evaluation Program:** (Logging)

Depth

Log Type

SC-TD

Platform Express

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure calculated @ 6100' TD approximately equals 2,440 psi (calculated at 0.4 psi/foot).

Maximum anticipated surface pressure equals approximately 1,098 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

**CIGE #246
NE/NW Sec. 2, T10S, R21E
Uintah County, UT
ML-22652**

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

To reach the CIGE #246 location proceed in a westerly direction from Vernal, Utah along U.S. Highway 40 approximately 14.0 miles to the junction of State Highway 88; exit left and proceed in a southerly direction approximately 6.9 miles on the Seep Ridge Road to the junction of this road and an existing road to the east; turn left and proceed in an easterly direction approximately 5.0 miles to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 0.3 miles to the junction of this road and an existing road to the northeast; turn right and proceed in a northeasterly direction approximately 3.9 miles to the junction of this road and an existing road to the southwest; turn right and proceed in a southwesterly direction approximately 1.1 miles to the beginning of the proposed access road to the southeast; follow road flags in a southeasterly, then northeasterly direction approximately 0.1 miles to the proposed location.

Refer to Topo Maps A and B for location of access roads within a 2 mile radius.

Improvements to existing access roads shall be determined at the on-site inspection.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet, ***unless modified at the on-site inspection.*** Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities shall be determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Please refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Desert Brown, Munsell standard color number 10 YR 6/3.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

The proposed pipeline will leave the wellpad in a southeasterly direction for an approximate distance of 1200'. Refer to Topo D.

5. **Location and Type of Water Supply:**

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids. ***The need for a reserve pit liner will be determined at the on-site inspection.***

If a plastic reinforced liner is used, it will be a minimum of 12 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s). ***This section is subject to modification as a result of the on-site inspection.***

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

If it is determined that a pit liner will be used at the on-site inspection, the reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

If a plastic, nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

State of Utah
SITLA
675 East 500 South
Salt Lake City, UT 84102-2818

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey has been conducted by Montgomery Archaeological Consultants. A copy of this report is attached.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

13. Lessee's or Operators's Representative & Certification:

Cheryl Cameron
Sr. Regulatory Analyst
Coastal Oil & Gas Corporation
P.O. Box 1148
Vernal, UT 84078
(435) 781-7023

Tom Young
Drilling Manager
Coastal Oil & Gas Corporation
9 Greenway Plaza, Suite 2770
Houston, TX 77046
(713) 418-4156


Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Coastal Oil & Gas Corporation is considered to be the operator of the subject well. Coastal Oil & Gas Corporation agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Coastal Oil & Gas Corporation Bond #102103.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

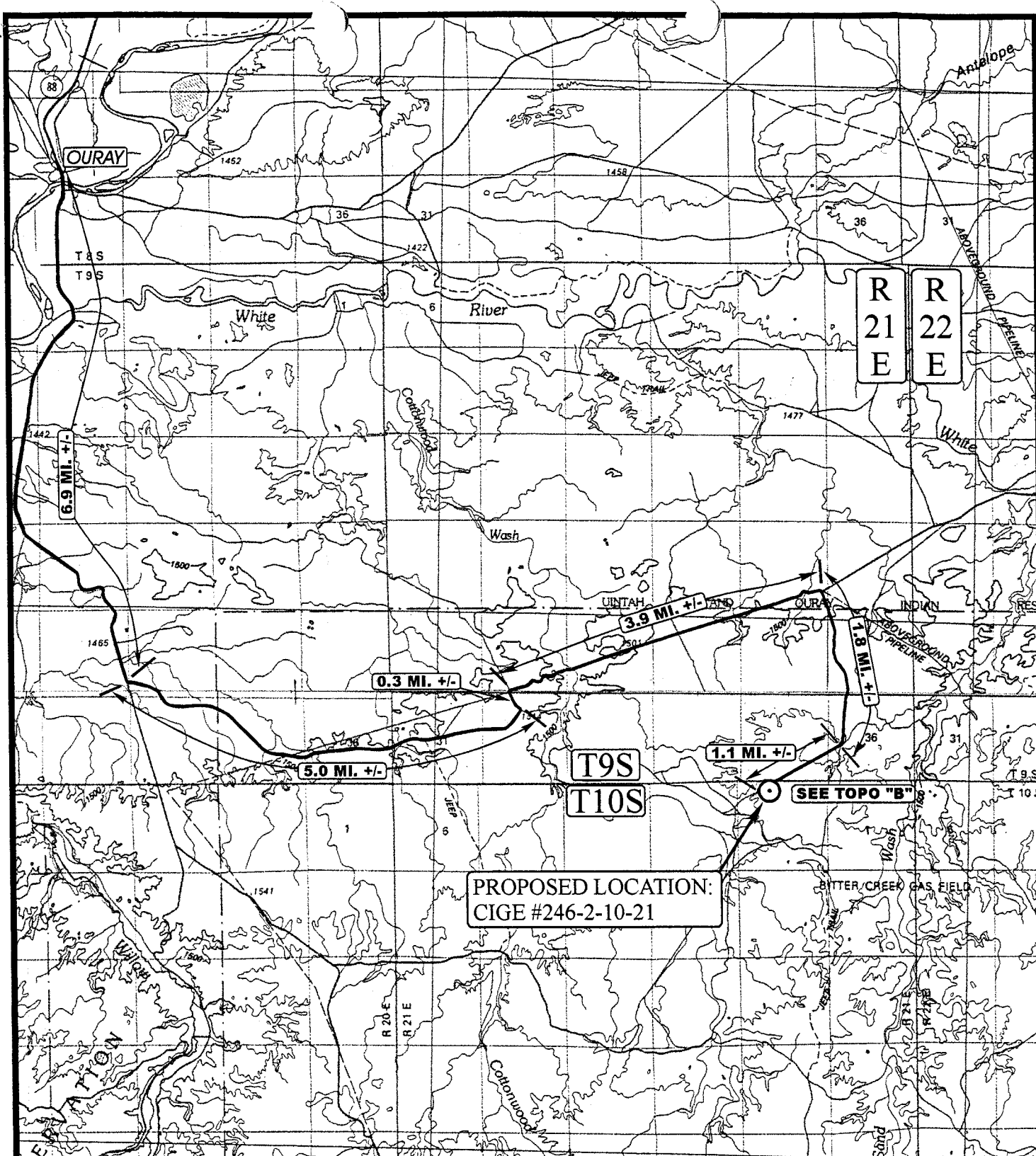

Cheryl Cameron

9/7/00
Date

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING



LEGEND:

○ PROPOSED LOCATION

COASTAL OIL & GAS CORP.

CIGE #246-2-10-21

SECTION 2, T10S, R21E, S.L.B.&M.

474' FNL 2055' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

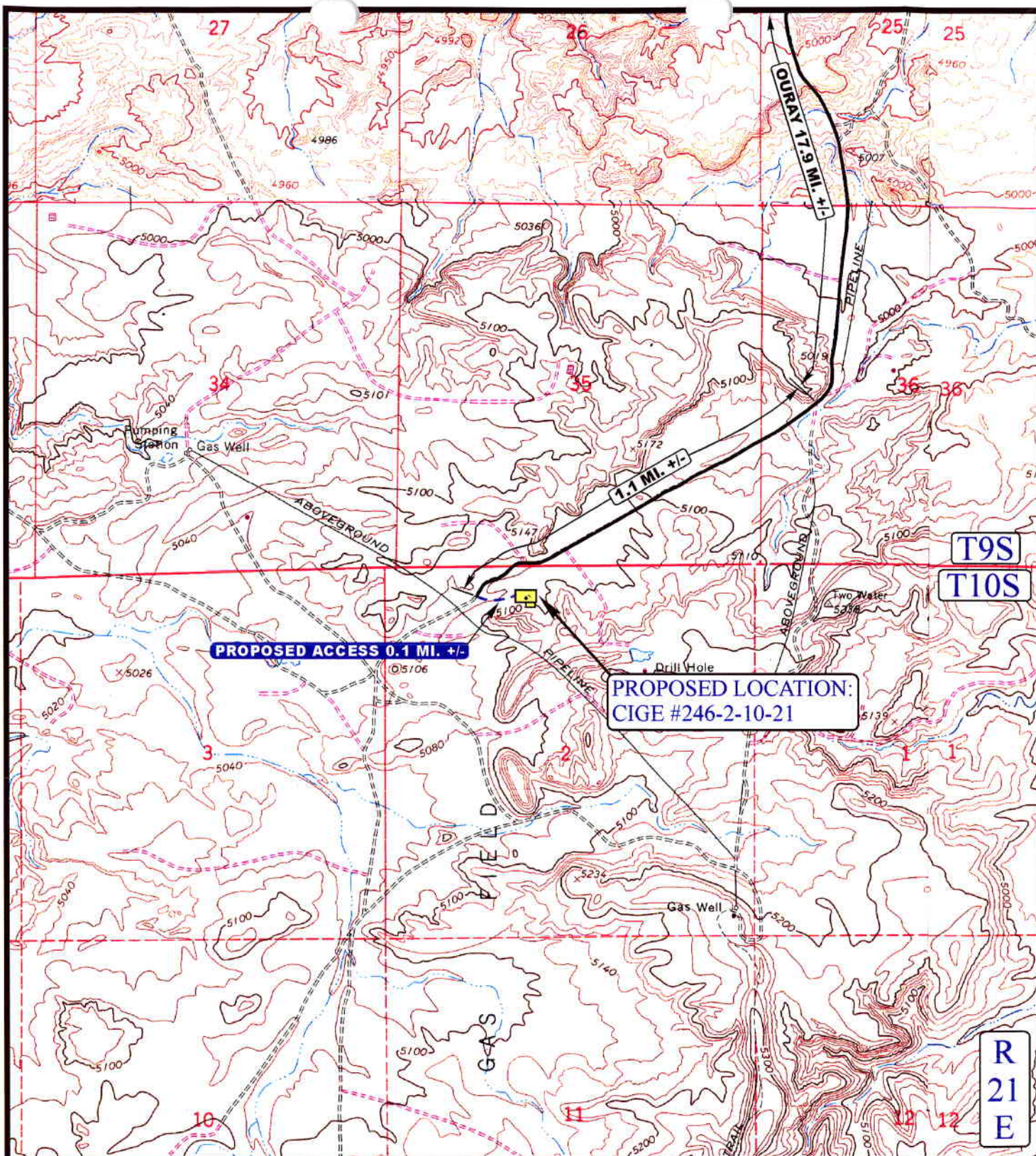


TOPOGRAPHIC
 MAP

10 19 98
 MONTH DAY YEAR

SCALE: 1: 100,000 DRAWN BY: J.L.G. REVISED: 00-00-00

A
 TOPO



LEGEND:

--- PROPOSED ACCESS ROAD
 --- EXISTING ROAD



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



COASTAL OIL & GAS CORP.

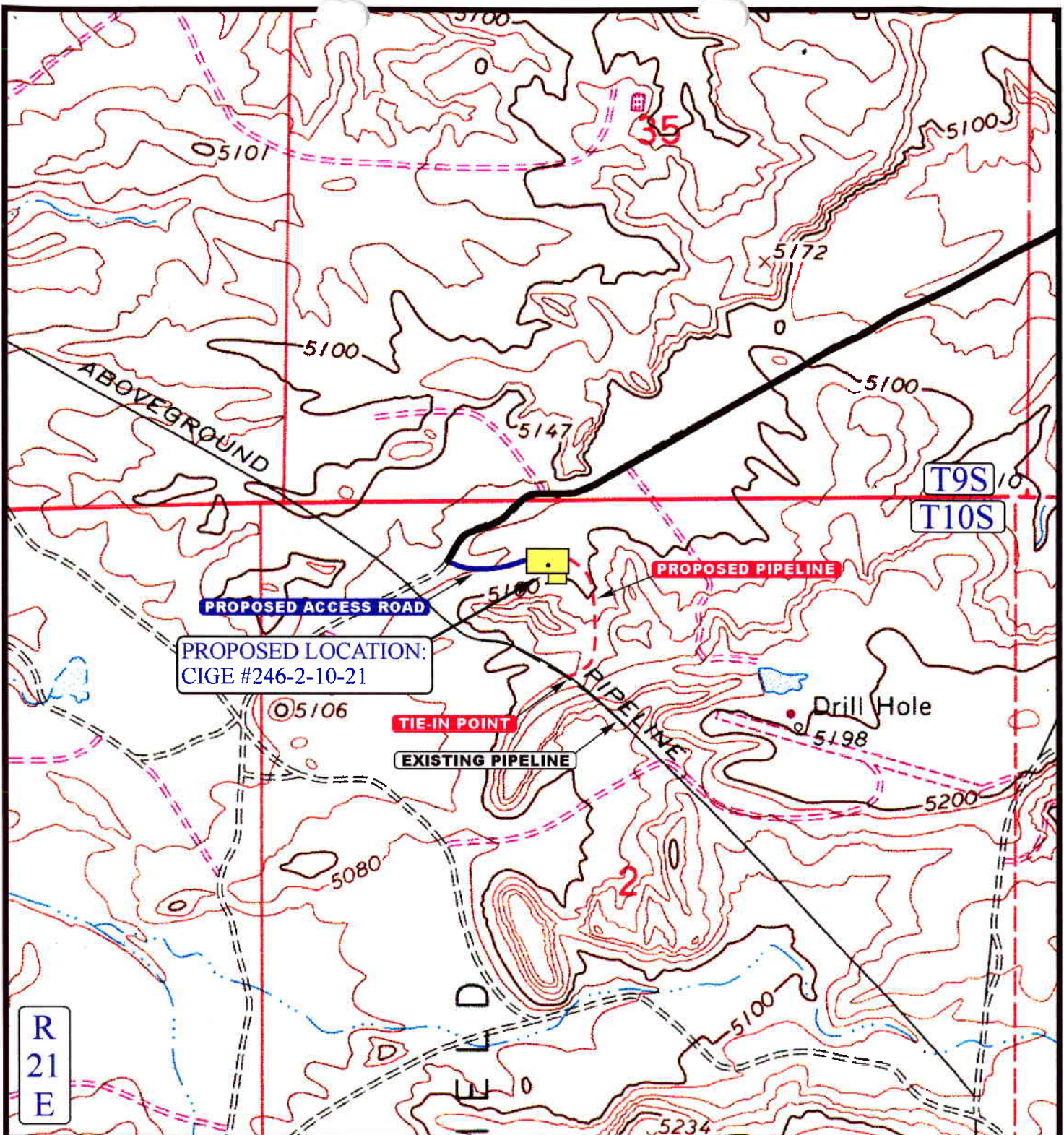
CIGE #246-2-10-21
 SECTION 2, T10S, R21E, S.L.B.&M.
 474' FNL 2055' FWL

TOPOGRAPHIC
 MAP

10 19 98
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

B
 TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 1200' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS



COASTAL OIL & GAS CORP.

CIGE #246-2-10-21

SECTION 2, T10S, R21E, S.L.B.&M.

474' FNL 2055' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

10 19 98
 MONTH DAY YEAR

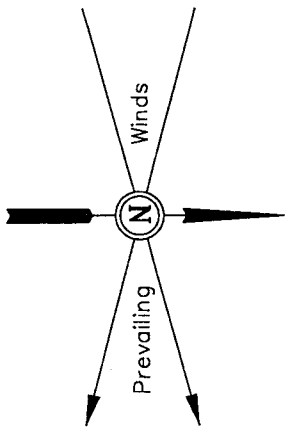
SCALE: 1" = 1000' DRAWN BY: J.L.G. REVISED: 00-00-00



COASTAL OIL & GAS CORP.

LOCATION LAYOUT FOR

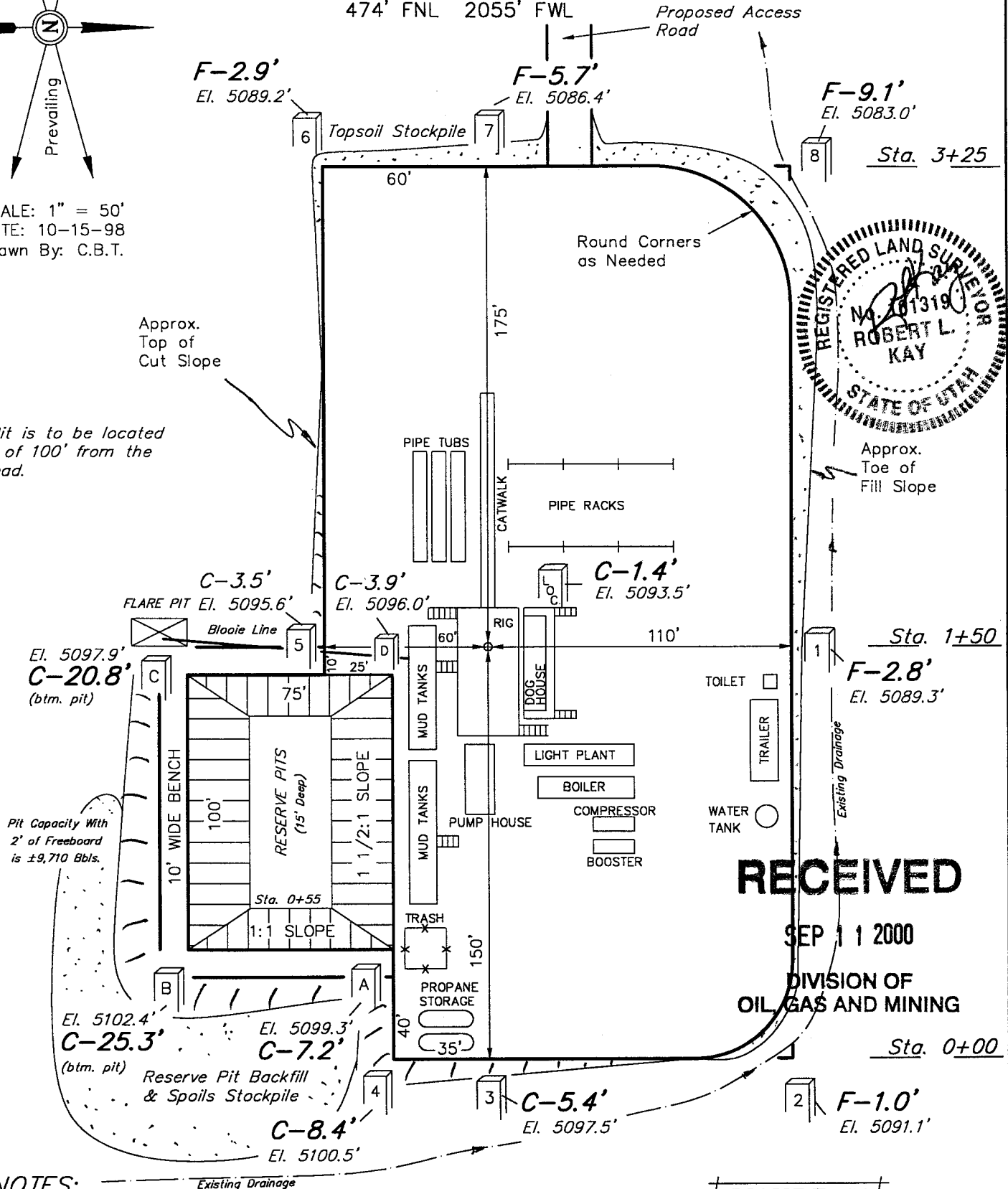
CIGE #246-2-10-21
SECTION 2, T10S, R21E, S.L.B.&M.
474' FNL 2055' FWL



SCALE: 1" = 50'
DATE: 10-15-98
Drawn By: C.B.T.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 5093.5'
FINISHED GRADE ELEV. AT LOC. STAKE = 5092.1'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 South 200 East Vernal, Utah

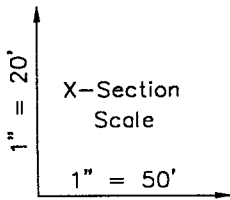
COASTAL OIL & GAS CORP.

TYPICAL CROSS SECTIONS FOR

CIGE #246-2-10-21

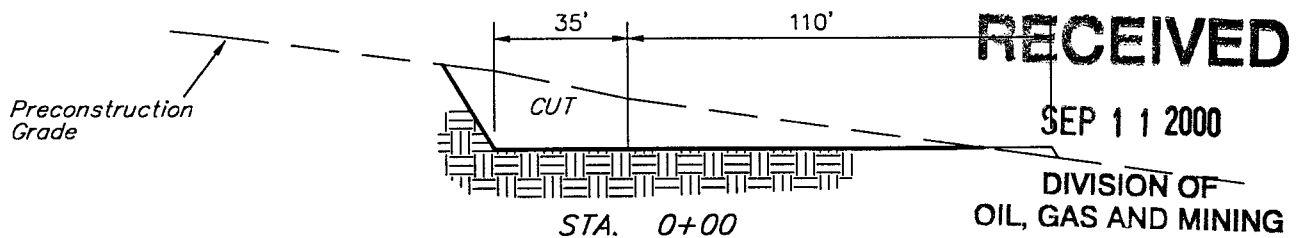
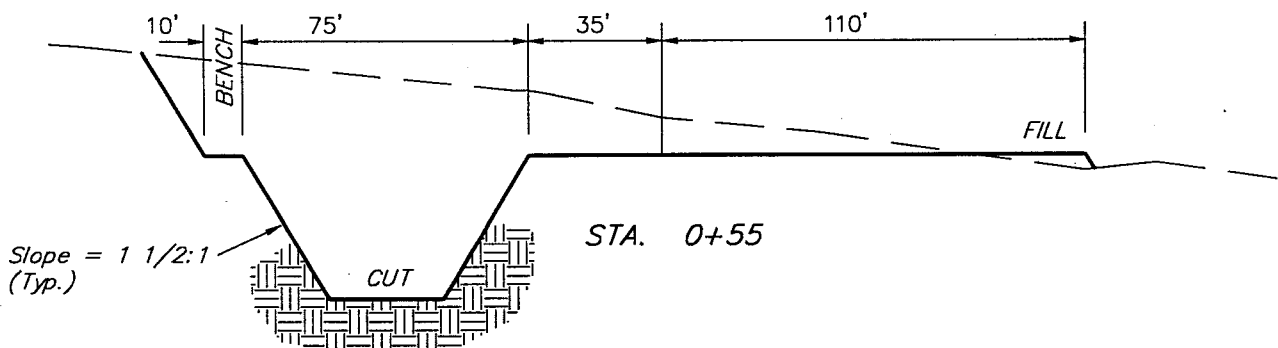
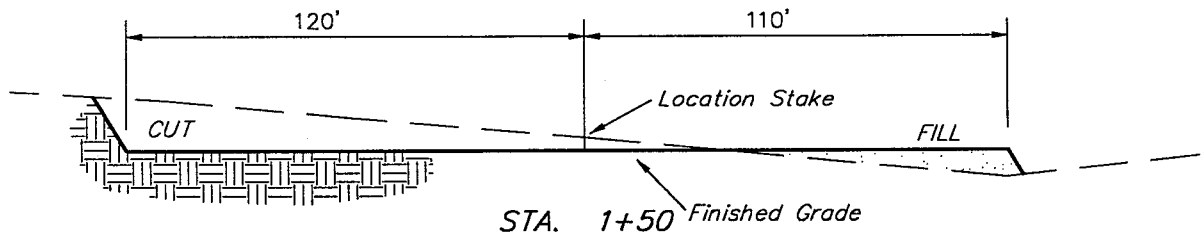
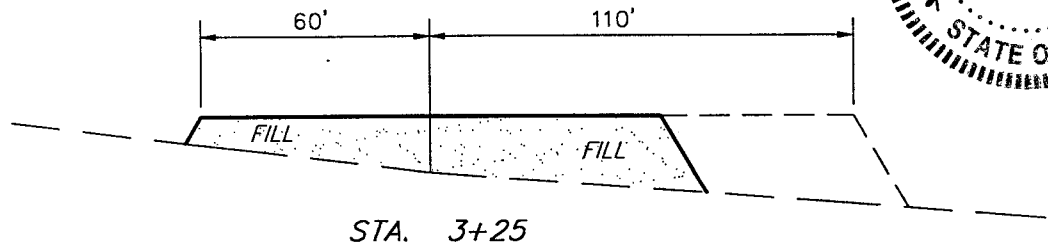
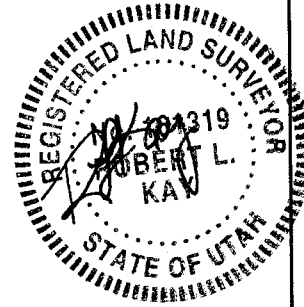
SECTION 2, T10S, R21E, S.L.B.&M.

474' FNL 2055' FWL



DATE: 10-15-98

Drawn By: C.B.T.



RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

FIGURE #2

APPROXIMATE YARDAGES

| | | |
|------------------------|----------|----------------------|
| CUT | | |
| (6") Topsoil Stripping | = | 1,090 Cu. Yds. |
| Remaining Location | = | 6,790 Cu. Yds. |
| TOTAL CUT | = | 7,880 CU.YDS. |
| FILL | = | 4,530 CU.YDS. |

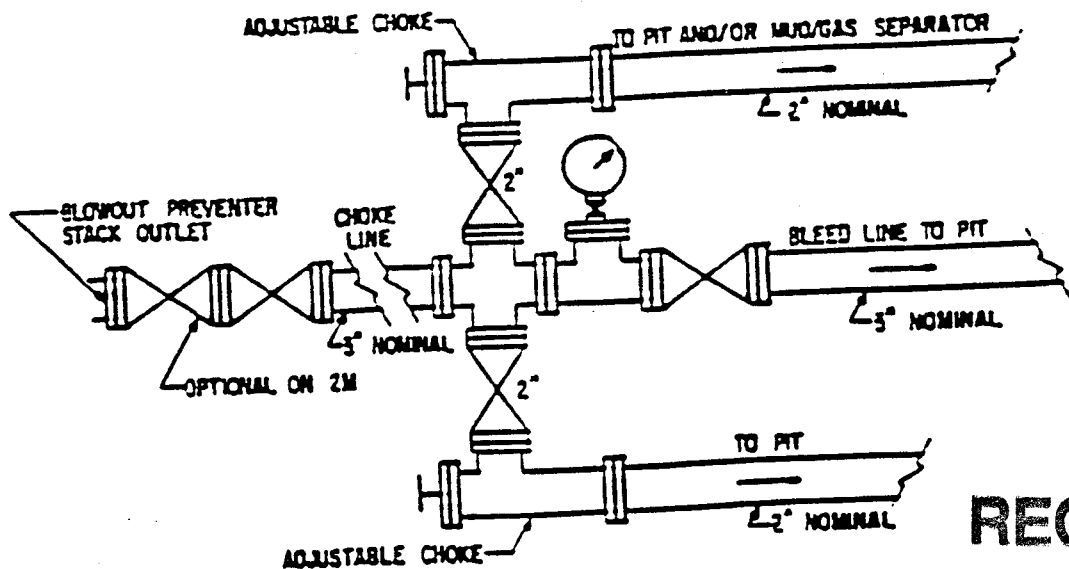
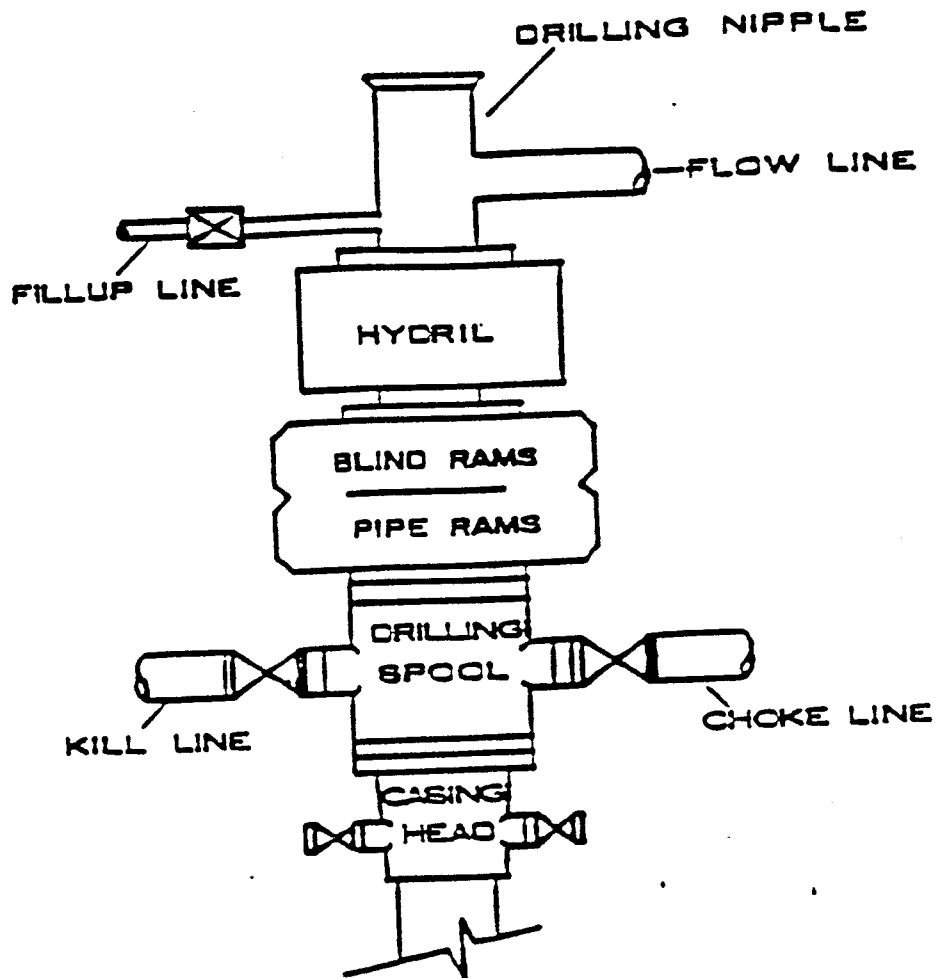
| | | |
|--|---|----------------|
| EXCESS MATERIAL AFTER 5% COMPACTION | = | 3,110 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = | 3,110 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = | 0 Cu. Yds. |

UINTAH ENGINEERING & LAND SURVEYING

85 South 200 East Vernal, Utah

3,000 PSI

BOP STACK



RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

OCT 27 1998

MONTGOMERY
ARCHAEOLOGICAL
CONSULTANTS

Box 147, 322 East 100 South, Moab, Utah 84532 (435) 259-5764 FAX (435) 259-5608 LPS

BLC RAD SCP CEL
SAE ADXC: Drlg
RJC

October 24, 1998

Ms. Bonnie Carson
Coastal Oil & Gas Corporation
Box 749
Denver, CO 80201-0749

Dear Ms. Carson:

Enclosed please find the report entitled "Cultural Resource Inventory of Coastal Oil & Gas Corporation's CIGE 246, NBU 333, NBU 347, NBU 349 and NBU 350 Well Locations and Associated Pipelines, Uintah County, Utah." The inventory resulted in no cultural resources. Based on the findings, a determination of "no effect" is recommended pursuant to Section 106, CFR 800 for this undertaking.

Copies of the report has been sent to the appropriate state and federal agencies for review. If you have any questions or comments, please feel free to call me.

Sincerely,

Keith R. Montgomery
Principal Investigator

cc: James Dykmann, Compliance Archaeologist, Utah SHPO
Blaine Philips, BLM Archaeologist, Vernal District

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

CULTURAL RESOURCE INVENTORIES OF COASTAL OIL AND
GAS CORPORATIONS CIGE 246, NBU 333, NBU 347, NBU 349
AND NBU 350 WELL LOCATIONS, ACCESS ROADS,
AND ACCESS ROADS IN UINTAH COUNTY, UTAH

by

Keith R. Montgomery

Prepared For:

State of Utah
and
Bureau of Land Management
Vernal District

Prepared Under Contract With:

Coastal Oil & Gas Corporation
P.O. Box 749
Denver, Colorado 80201

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

October 23, 1998

United States Department of Interior (FLPMA)
Permit No. 98-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-98-MQ-0631b,s

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

INTRODUCTION

In October, 1998, cultural resource inventories were conducted by Montgomery Archaeological Consultants for Coastal Oil & Gas Corporation's proposed well locations CIGE 246, NBU 333, NBU 347, NBU 349 and NBU 350. The project area is located in the Sand Wash area about 11 miles southeast of Ouray, Uintah County, Utah. The survey was implemented at the request of Bonnie Carson, Coastal Oil & Gas Corporation, Denver, Colorado. The project area occurs on State of Utah land and Bureau of Land Management (BLM) administered lands, Book Cliffs Resource Area, Vernal District.

The objective of the inventories were to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventories were implemented to attain compliance with a number of federal and state mandates, including the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and Utah State Antiquities Act of 1973 (amended 1990).

The archaeological fieldwork was performed by Keith R. Montgomery, Principal Investigator for Montgomery Archaeological Consultants on October 17 and 21, 1998, under the auspices of U.S.D.I. (FLPMA) Permit No. 98-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-98-MQ-0631b,s.

A file search for previous archaeological inventories and documented cultural resources was conducted on August 6, 1998, by the author at the Division of State History, State Historical Preservation Office, Salt Lake City. A second file search was completed by the author at the BLM Vernal District on September 10, 1998. These consultations indicated that numerous inventories have been completed in the area. In the vicinity of proposed Well Location No. NBU 347 an inventory was completed in 1991 by Metcalf Archaeological Consultants for Coastal Oil and Gas well locations (Lubinski and Scott 1991). At proposed Well Location No. NBU-349 two surveys have been conducted. In 1981, Brigham Young University surveyed the Sand Wash Shale Oil Plant (Nielson 1981). In 1986, Metcalf Archaeological Consultants inventoried Coastal Oil & Gas Corporations NBU-82 well location and access road (Metcalf 1986). No previously documented archaeological sites occur in the project areas.

In addition, a records search for paleontological localities was conducted by Martha Hayden, Utah Geological Survey (August 28, 1998). No previously recorded sites occur in the project areas, although vertebrates and plant fossils are known in the Uintah and Duchesne formations.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

DESCRIPTION OF PROJECT AREA

The project area is situated on the north end of East Bench and Archy Bench, along both sides of Sand Wash, Uintah County, Utah. It lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). Specifically, the inventory area is situated in an area of broad erosional benches, buttes, and ridges dissected by drainages. The geology consists of the Early Tertiary age Uintah formation composed of thin-bedded flood plain deposits which overlays the Duchesne formations characterized by river-deposited conglomerate, sandstone, and fine-grained rocks. The nearest permanent water source is the White River located along the east side of the project area. Major intermittent drainages in the area include Sand Wash and Cottonwood Wash. The elevation of the project area ranges from 4880 to 5360 feet a.s.l. Vegetation cover is an Upper Sonoran desert shrub community which includes shadscale, sagebrush, greasewood, snakeweed, prickly pear cactus, Russian thistle, and blue gamma. Modern disturbances to the landscape includes roads, well locations, and pipelines mainly associated with oil/gas exploration.

The inventory area consists of five proposed well locations with access and/or pipeline corridors (Figures 1 and 2) The legal descriptions are T 10S, R 21E, S. 2 (State), 13 (State), and 14 (BLM); and T 10S, R 22E. S. 11 (State) and 14 (State).

Table 1. Coastal Oil & Gas Corporations Well Location Descriptions

| Well Number | Legal Location | Location at Surface | Access Road | Cultural Resources |
|---------------------|----------------------------|------------------------|---|--------------------|
| CIGE 246-2-10-21 | T10S R21E S.2 NE/NW | 474' FNL 2055' FWL | Access 500' Pipeline 500' | None |
| NBU 333 | T10S R21E S.13 SW/SW | 944' FSL 449' FWL | Access 1000' (BLM), 150' (State) Pipeline 1100' (BLM) | None |
| NBU 347 | T10S R22E S.11 NW/SW | 1697' FSL 411' FWL | Pipeline 4200' | None |
| NBU 349 | T10S R22E S.11 SW/SE | 1109' FSL 2405' FEL | Access 1200' | None |
| NBU 350 | T10S R22E S.14 NW/NE | 373' FNL 1845 FEL | Access 1800' Pipeline 3200' | None |

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

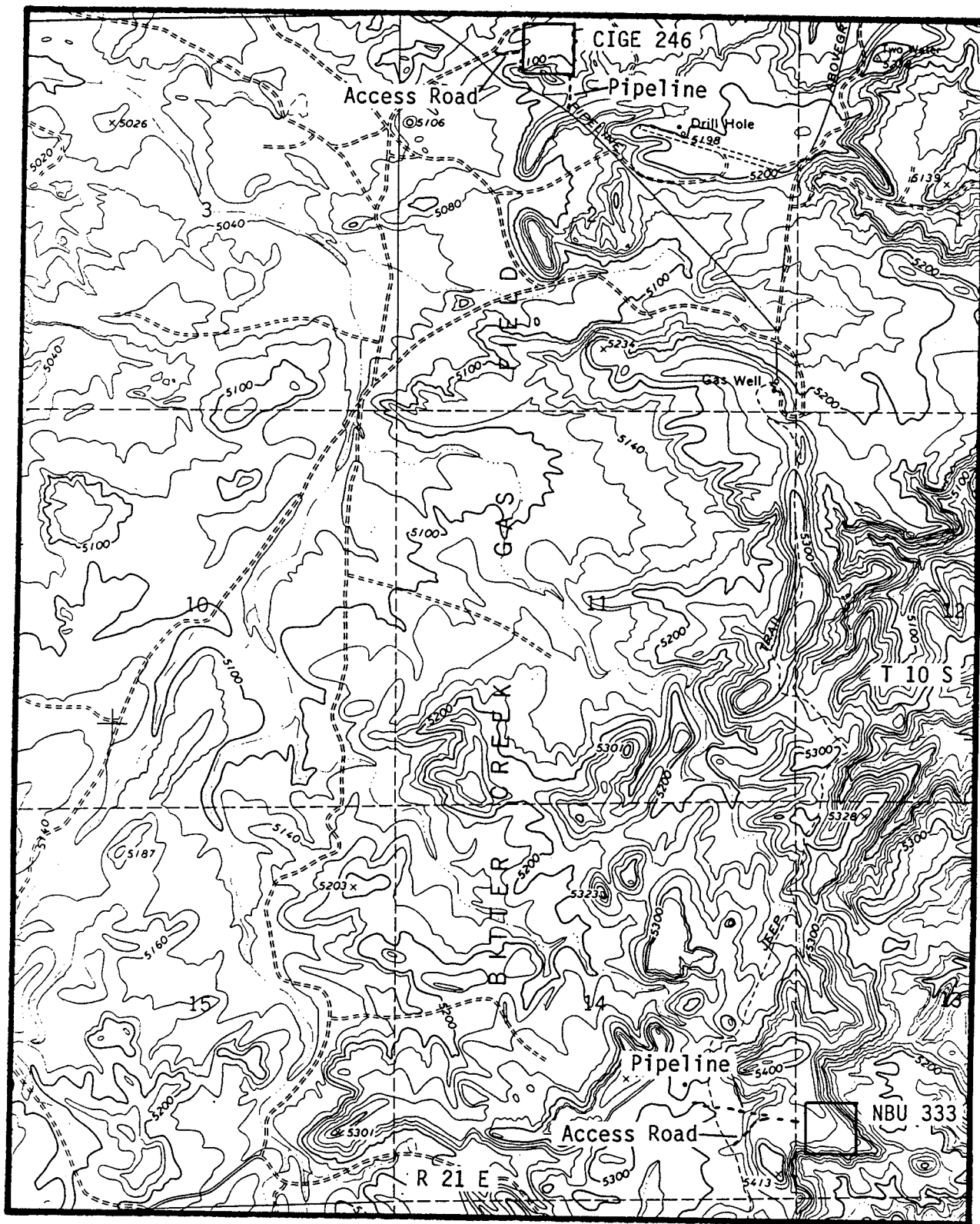


Figure 1. Inventory Area of Coastal Oil and Gas Corporation's Proposed Well Locations CIGE 246, and NBU 333 with Access Roads and Pipelines, Uintah County, UT USGS 7.5' Big Pack Mountain, NE , UT 1968. Scale 1:24000.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

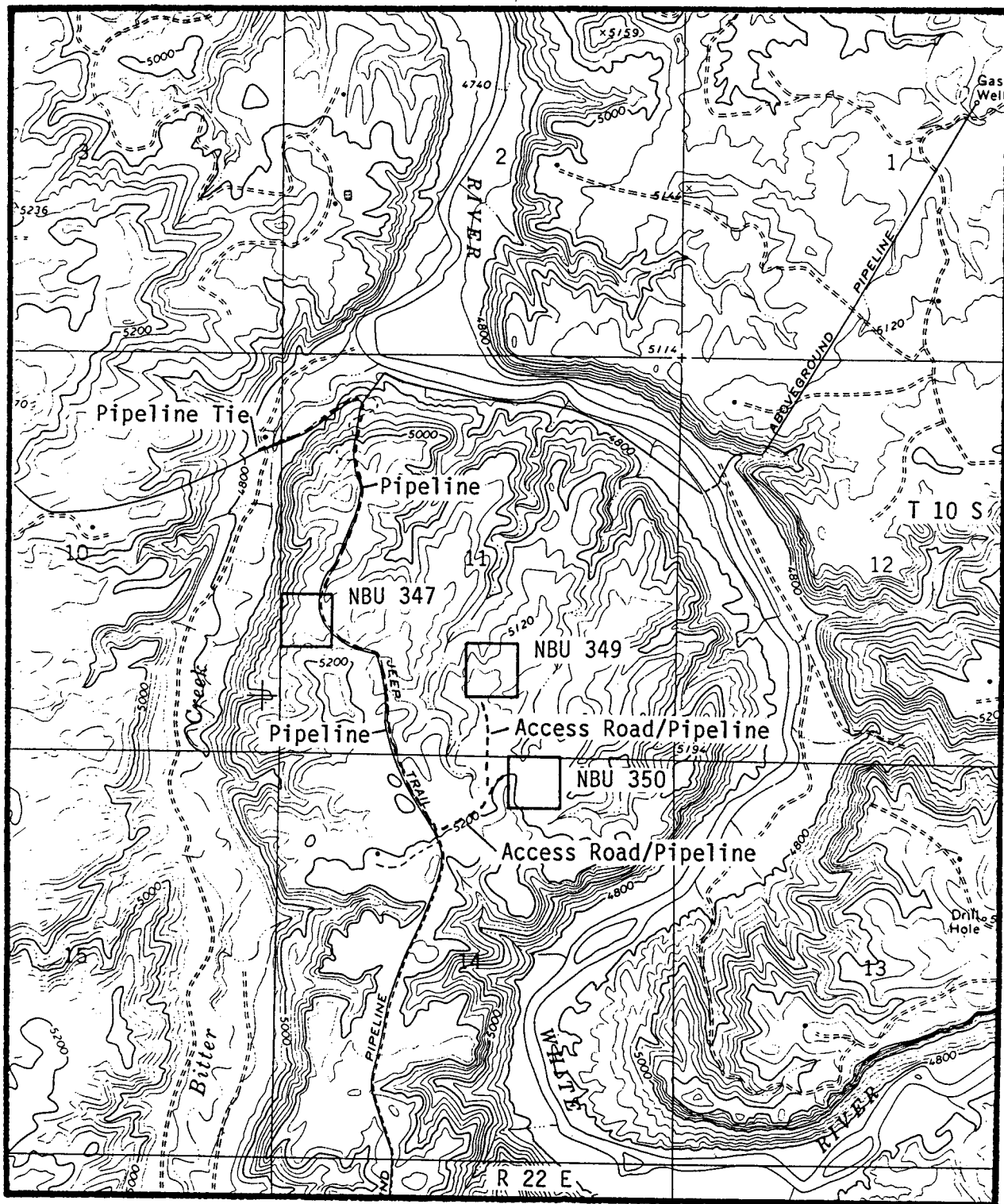


Figure 2. Inventory Area of Coastal Oil and Gas Corporation's Proposed Well Locations NBU 347, 349 and 350 with Access Roads and Pipelines, Uintah County, UT USGS 7.5' Archy Bench, UT 1968. Scale 1:24000.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

SURVEY METHODOLOGY

An intensive pedestrian survey was performed by the author for this project which is considered 100% coverage. At each of the five proposed well locations, a 10 acre square was defined, centered on the well pad center stake. The interiors of the well locations were examined for cultural resources by the archaeologist walking parallel transects spaced no more than 10 meters apart. The access roads and pipeline corridors were surveyed to a 150 foot width by the archaeologist walking parallel transects along the staked centerline, spaced no more than 10 meters apart. Ground visibility was considered good. A total of 96.9 acres was surveyed for this project consisting of 89.7 acres on State of Utah land and 7.2 acres on BLM administered land.

RESULTS AND RECOMMENDATIONS

The inventory of Coastal Oil & Gas Corporation's proposed five well locations, access roads, and pipeline corridors resulted in no cultural resources.

Based on these findings, a determination of "no effect" is recommended for this project pursuant to Section 106, CFR 800.

REFERENCES CITED

Lubinski, Patrick M. and John M. Scott

- 1991 Cultural Resource Inventory of 18 Proposed Coastal Oil and Gas Corporations Well Locations and Access Roads on State of Utah Lands, Uintah County, Utah. Metcalf Archaeological Consultants. Report No. 91-MM-44.

Metcalf, Michael

- 1986 Cultural Resource Inventory of the Coastal Oil and Gas Corporation NBU-82 Well Pad and Access Road, Uintah County, Utah. Metcalf Archaeological Consultants. Report No. 86-MM-704.

Nielson, Asa

- 1981 Cultural Resource Inventory of Tosco Corporation's Sand Wash Shale Oil Plant, Uintah County, Utah. Brigham Young University, Cultural Resource Management Service, Provo. Report No. 81-BC-721.

Stokes, William L.

- 1986 Geology of Utah. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

COASTAL OIL & GAS CORPORATION

DRILLING PROGRAM

| | | | | | | |
|-------------------|-----|---|--------|-------|---------------|---------------------|
| COMPANY NAME | | Coastal Oil & Gas Corporation | | DATE | 9/5/00 | |
| WELL NAME | | CIGE #246 | | TD | 6,600' MD/TVD | |
| FIELD | NBU | COUNTY | Uintah | STATE | Utah | ELEVATION 5,100' KB |
| SURFACE LOCATION | | 474' FNL & 2055' FWL, Section 2 T10S-R21E | | | | BHL Straight Hole |
| OBJECTIVE ZONE(S) | | Wasatch | | | | |
| ADDITIONAL INFO | | | | | | |

| GEOLOGICAL | | | MECHANICAL | | |
|---|----------------------|---------------|---------------|-----------------------------|---------------------------|
| LOGS | FORMATION TOPS | DEPTH | HOLE SIZE | CASING SIZE | MUD WEIGHT |
| | | 40' | | 14" | |
| | | | ↑ 11" ↓ | ↑ 8-5/8", 24#, K-55 ↓ | ↑ Air ↓ |
| | | 250' MD/TVD | | | |
| | | | ↑ ↓ | ↑ ↓ | ↑ ↓ |
| | Green River @ 1,557' | | | | |
| | | | ↑ ↓ | ↑ ↓ | ↑ ↓ |
| Mud Log @ Surface Casing' - TD Platform Express SC - TD | | | 7-7/8" | 4-1/2", 11.6#, K-55, LTC | Air Mist Aerated Water |
| | Wasatch @ 4,672' | | | | |
| | | | ↑ ↓ | ↑ ↓ | ↑ ↓ |
| | | 6,600' MD/TVD | | | |

RECEIVED

SEP 11 2000

DIVISION OF OIL, GAS AND MINING

COASTAL OIL & GAS CORPORATION
DRILLING PROGRAM

CASING PROGRAM

| | SIZE | INTERVAL | WT. | GR. | CPLG. | DESIGN FACTORS | | |
|-------------|--------|----------|-------|------|-------|----------------|----------|---------|
| | | | | | | BURST | COLLAPSE | TENSION |
| CONDUCTOR | 14" | 0-40' | | | | 2950 | 1370 | 263000 |
| SURFACE | 8-5/8" | 0-250' | 24# | K-55 | STC | 21.03 | 11.71 | 4.70 |
| | | | | | | 5350 | 4960 | 180000 |
| PRODUCTION* | 4-1/2" | 0-TD | 11.6# | K-55 | LTC | 2.30 | 1.45 | 1.42 |

- 1) Maximum Anticipated Surface Pressure (MASP) (Conductor and Surface Casings) = (Frac Gradient at Shoe - Gas Gradient (0.115 psi/ft))(TVD)
- 2) MASP (Int Casing) = Pore Pressure at Next Casing Point - (Gas Gradient x TVD of Next Casing Point x 0.67) - (Mud Weight x TVD x 0.052 x 0.33)
- 3) MASP (Prod Casing) = Pore Pressure - (Gas Gradient x TVD of Production Interval)
- (Burst Assumptions: FG @ 8-5/8" shoe = 13.0 ppg, Max Pore Pressure = 9.0 ppg EMW)
- (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing, 50,000 lbs overpull)

CEMENT PROGRAM

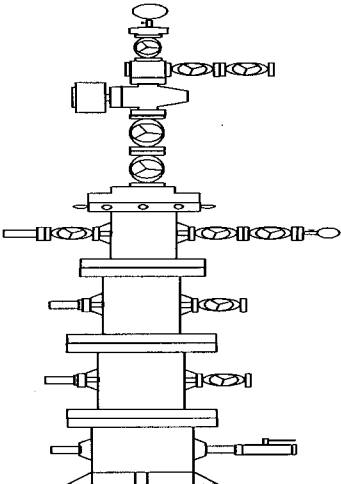
| | | FT. OF FILL | DESCRIPTION | SACKS | EXCESS* | WEIGHT | YIELD |
|------------|------|-------------|---|-------|---------|--------|-------|
| SURFACE | | 250 | Class G + 2% CaCl ₂ + 0.25 lb/sk Cello Flake | 90 | 35% | 15.80 | 1.17 |
| PRODUCTION | LEAD | 4372 | Premium Lite II + 3 lb/sk CSE + 0.5% Sodium Metasilicate + 10% Gel + 0.25 lb/sk Cello Flake + 3% Salt + 3 lb/sk Kol Seal | 570 | 100% | 11.00 | 3.44 |
| | TAIL | 2228 | 50/50 POZ + 0.1% R-3 + 1% EC-1 + 0.2% Sodium Metasilicate + 2% Gel + 0.5% FL-25 + 3% Salt | 730 | 75% | 14.5 | 1.23 |

* or 15% over caliper log

FLOAT EQUIPMENT & CENTRALIZERS

| | |
|------------|--|
| SURFACE | Guide shoe, 1 jt, float collar. Centralize first 3 joints & every other joint to surface with bow spring centralizers. Thread lock FE up to & including pin end of FC. |
| PRODUCTION | Guide shoe, 1 jt, float collar. Centralize first 3 joints & every other joint to top of tail cement with bow spring centralizers. |
| | |

WELLHEAD EQUIPMENT



| | |
|--------------|---------------------|
| TREE | 2-1/16" 5M |
| TUBING HEAD | 11" 3M X 7-1/16" 5M |
| CASING SPOOL | |
| CASING SPOOL | |
| CASING HEAD | 8-5/8" SOW X 11" 3M |

RECEIVED

SEP 11 2000

DIVISION OF
OIL, GAS AND MINING

COASTAL OIL & GAS CORPORATION
DRILLING PROGRAM

BIT PROGRAM

| ROCK BIT & PDC BIT PROGRAM | | | | | | |
|----------------------------|--------|-----------------|----------|--------|----------|----------|
| INTERVAL | HOLE | BIT MFG & MODEL | GPM | SERIAL | NZLS | COMMENTS |
| Surface Hole | 11" | Various | | | | |
| | | | | | | |
| Surf Csg - TD | 7-7/8" | SEC XS44 | Air/Mist | New | 16-16-16 | |
| | | | Aerated | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

If an additional bit is required use another insert.

GEOLOGICAL DATA

LOGGING:

| Depth | Log Type |
|---------|------------------|
| SC - TD | Platform Express |
| | |
| | |

| | |
|-------------|----------------|
| MUD LOGGER: | SC - TD |
| SAMPLES: | As per Geology |
| CORING: | NA |
| DST: | NA |

MUD PROGRAM

| DEPTH | TYPE | MUD WT | WATER LOSS | VISCOSITY | TREATMENT |
|-------------------------------|---------------|--------|------------|-----------|---------------------------|
| 0-Trona (0 - +/-2,000') | Air/Mist | NA | NA | | Polymer, Gel Gyp, Lime |
| | | | | | |
| Trona-TD (+/- 2,000' - TD) | Aerated Water | NA | NC | NA | Polymer, Gyp, Lime |
| | | | | | |

Circulate hole until clean @ TD. Spot brine pill at TD for logs and casing.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 3M with one annular and 2 rams. Test to 3,000 psi (annular to 1,500 psi) prior to drilling out. Record on chart recorder & tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Run Totco survey every 1,500' from surface casing shoe to TD. Maximum allowable hole angle is 5 degrees.

Treat for corrosion as per plan.

| | | | |
|-------------------|----------------|-------|--|
| PROJECT ENGINEER: | Christa Yin | DATE: | |
| PROJECT MANAGER: | Darrell Molnar | DATE: | |

RECEIVED
SEP 11 2000
DIVISION OF
OIL, GAS AND MINING

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/11/2000

API NO. ASSIGNED: 43-047-33687

WELL NAME: CIGE 246-2-10-21

OPERATOR: COASTAL OIL & GAS CORP (N0230)

CONTACT: CHERYL CAMERON

PHONE NUMBER: 435-781-7023

PROPOSED LOCATION:

NENW 02 100S 210E

SURFACE: 0474 FNL 2055 FWL

BOTTOM: 0474 FNL 2055 FWL

UINTAH

NATURAL BUTTES (630)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-22652

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSTC

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|------------|----------|
| Engineering | <i>RSC</i> | 10-11-00 |
| Geology | | |
| Surface | | |

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 10 21 03)

☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190 - 5 (B)

☒ Water Permit
(No. 43-8496)

☒ RDCC Review (Y/N)
(Date:)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3. Unit Natural Buttes

___ R649-3-2. General

Siting: ___

___ R649-3-3. Exception

☒ Drilling Unit

Board Cause No: 173-14

Eff Date: 12-2-99

Siting: 460' fr. Unit Boundary E. Uncomm. Tract.

___ R649-3-11. Directional Drill

COMMENTS: Need Presite. (Conducted 9-20-2000)

STIPULATIONS: ① STATEMENT OF BASIS

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: COASTAL OIL & GAS CORP.
Well Name & Number: CIGE 246-2-10-21
API Number: 43-047-33687
Location: 1/4, 1/4 NE/NW Sec. 2 T. 10S R. 21E

Geology/Ground Water:

Coastal proposes to set 250' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,500'. A search of Division of Water Rights records shows 4 water wells within a 10,000 foot radius of the center of section 2. These are listed as being used for mining and irrigation. No culinary use is indicated. All are approximately a mile or more in distance from the proposed well. Depth of these wells is between 1500 and 2600' The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought to above the base of the moderately saline groundwater in order to isolate it from fresher waters uphole.

Reviewer: Brad Hill
Date: 10/6/2000

Surface:

The pre-drill investigation of the surface was performed on 9/25/2000. Surface and minerals are owned by State of Utah. Ed Bonner with SITLA and Jack Lytle with DWR were both invited to this meeting on 9/19/2000. Neither attended. Site appears to be the best in the immediate area requiring the least surface disturbance.

Reviewer: David W. Hackford
Date: 9/29/2000

Conditions of Approval/Application for Permit to Drill:

1. The cement top for the production casing should be at 3000' or higher.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: COASTAL OIL & GAS CORP.
WELL NAME & NUMBER: CIGE 246-2-10-21
API NUMBER: 43-047-33687
LEASE: STATE FIELD/UNIT: WONSITS VALLEY
LOCATION: 1/4, 1/4 NE/NW SEC: 2 TWP: 10S RNG: 21E
2055' F W L 474' F N L
LEGAL WELL SITING: Statewide 400 foot window in center of 40
acre tract and no closer than 920 feet from
another well
GPS COORD (UTM): 12626226E 4427009N
SURFACE OWNER: SITLA
PARTICIPANTS:
CARROLL WILSON, CARROLL ESTES, CLAY EINERSON, (COGC). ROBERT KAY
(UELS). DAVID HACKFORD (DOGM). FOUR DIRT CONTRACTORS.

REGIONAL/LOCAL SETTING & TOPOGRAPHY:

SITE IS ON THE NORTH SLOPE OF A LOW RIDGE RUNNING EAST TO WEST
WITH SMALL DRAINAGES RUNNING TO THE NORTH. THERE ARE THICK
SANDSTONE OUTCROPPINGS ADJACENT TO THE SITE TO THE SOUTH.

SURFACE USE PLAN:

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING.
HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WOULD BE 325' BY 220'
AND ACCESS ROAD WOULD BE 0.1 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE
ATTACHED MAP FROM GIS DATABASE

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL
PRODUCTION FACILITIES WILL BE ON LOCATION AND CONSTRUCTED
AFTER WELL IS DRILLED AND COMPLETED. THE PIPELINE TO THIS
BATTERY WILL RUN SOUTH 0.15 MILES AND TIE INTO EXISTING
PIPELINE AT THAT POINT.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL
WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS:

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: NATIVE GRASSES, PRICKLY PEAR, GREASEWOOD, CHEAT GRASS, SHADSCALE, SAGE: RODENTS, COYOTES, SONGBIRDS, RAPTORS, PRONGHORN.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE ANY INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT:

CHARACTERISTICS: 100' BY 75' AND 15' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A LINER WILL NOT BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN:

AS PER STATE OF UTAH.

SURFACE AGREEMENT: STATE LAND.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY MONTGOMERY ARCHAEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS:

THE PRE-DRILL INVESTIGATION TOOK PLACE ON A COOL, CLEAR DAY.

ATTACHMENTS:

PHOTOS OF SITE WILL BE PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

9/20/2000-1:30 PM
DATE/TIME

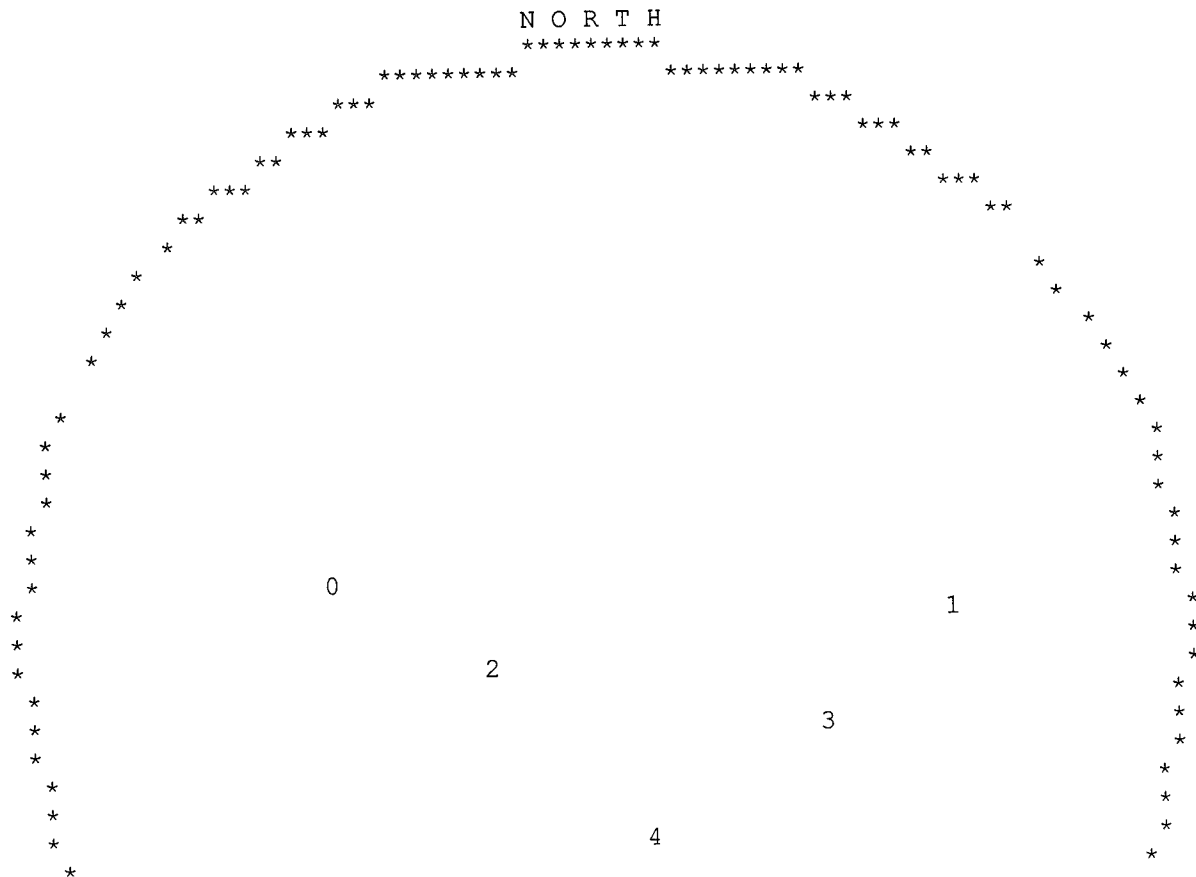
**Evaluation Ranking Criteria and Ranking Score
For Reserve and On-site Pit Liner Requirements**

| <u>Site-Specific Factors</u> | <u>Ranking</u> | <u>Site Ranking</u> |
|--|----------------|---------------------|
| Distance to Groundwater (feet) | | |
| >200 | 0 | |
| 100 to 200 | 5 | |
| 75 to 100 | 10 | |
| 25 to 75 | 15 | |
| <25 or recharge area | 20 | <u>5</u> |
| Distance to Surf. Water (feet) | | |
| >1000 | 0 | |
| 300 to 1000 | 2 | |
| 200 to 300 | 10 | |
| 100 to 200 | 15 | |
| < 100 | 20 | <u>0</u> |
| Distance to Nearest Municipal Well (feet) | | |
| >5280 | 0 | |
| 1320 to 5280 | 5 | |
| 500 to 1320 | 10 | |
| <500 | 15 | <u>0</u> |
| Distance to Other Wells (feet) | | |
| >1320 | 0 | |
| 300 to 1320 | 10 | |
| <300 | 20 | <u>0</u> |
| Native Soil Type | | |
| Low permeability | 0 | |
| Mod. permeability | 10 | |
| High permeability | 20 | <u>0</u> |
| Fluid Type | | |
| Air/mist | 0 | |
| Fresh Water | 5 | |
| TDS >5000 and <10000 | 15 | |
| TDS >10000 or Oil Base | 20 | |
| Mud Fluid containing high levels of hazardous constituents | | <u>5</u> |
| Drill Cuttings | | |
| Normal Rock | 0 | |
| Salt or detrimental | 10 | <u>0</u> |
| Annual Precipitation (inches) | | |
| <10 | 0 | |
| 10 to 20 | 5 | |
| >20 | 10 | <u>0</u> |
| Affected Populations | | |
| <10 | 0 | |
| 10 to 30 | 6 | |
| 30 to 50 | 8 | |
| >50 | 10 | <u>0</u> |
| Presence of Nearby Utility | | |
| Conduits | | |
| Not Present | 0 | |
| Unknown | 10 | |
| Present | 15 | <u>0</u> |
| Final Score | | <u>10</u> |

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED FRI, OCT 6, 2000, 10:32 AM
PLOT SHOWS LOCATION OF 5 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 10000 FEET FROM A POINT
FEET, FEET OF THE NW CORNER,
SECTION 2 TOWNSHIP 10S RANGE 21E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 4000 FEET




```

*
*
*
*
*
*
**
***
**
***
***
***
***
*****
*****
*****

```

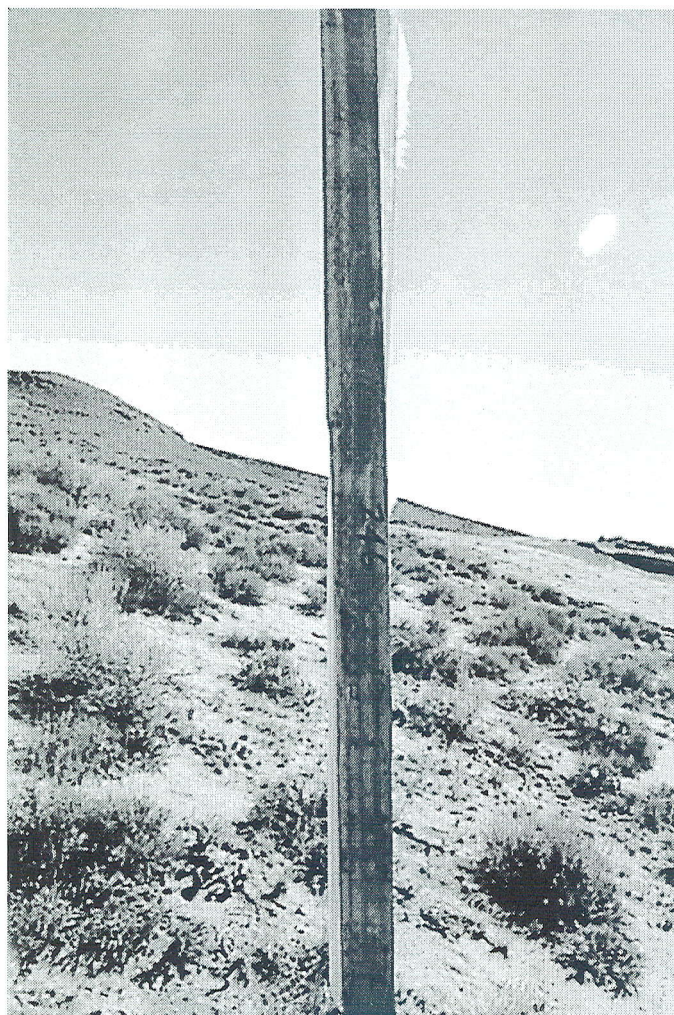
UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

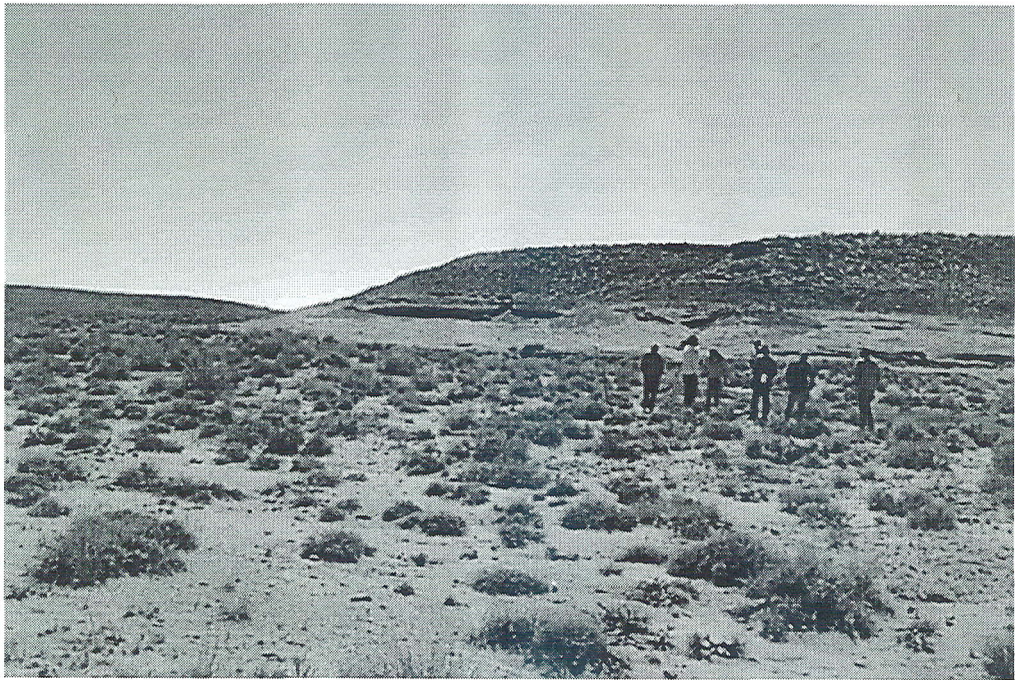
| MAP CHAR | WATER RIGHT | CFS | QUANTITY AND/OR | AC-FT | SOURCE DESCRIPTION or WELL INFO DIAMETER | DEPTH | YEAR LOG | NORTH | EAST | POINT OF DIVERSION DESCRIPTION CNR SEC | TWN | RNG B&M |
|-------------|-----------------------------|--------|--------------------|-------|---|-------------|----------|---|--------|---|--------|---------|
| 0 | 49 355 | 1.0000 | | .00 | 7 | 1667 | | N | 951 E | 689 SW 34 9S | 21E SL | |
| | WATER USE(S): MINING | | | OTHER | 10100 Santa Monica Blvd. | | | PRIORITY DATE: 07/10/197 Los Angeles | | | | |
| 1 | 49 354 | .6000 | | .00 | 7 | 1604 | | N | 643 E | 592 SW 36 9S | 21E SL | |
| | WATER USE(S): MINING | | | OTHER | 10100 Santa Monica Blvd. | | | PRIORITY DATE: 07/10/197 Los Angeles | | | | |
| 2 | 49 349 | .0000 | | 1.00 | Tributary to Cottonwood Wash | | | PRIORITY DATE: 04/07/197 Vernal | | | | |
| | WATER USE(S): STOCKWATERING | | | | USA Bureau of Land Management (Vernal Di 170 South 500 East | | | | | | | |
| 3 | 49 3 | .0256 | | .00 | 5 | 2640 | | S | 1650 W | 1564 NE 2 10S | 21E SL | |
| | WATER USE(S): OTHER | | | | DeKalb Agricultural Association Incorpor Box 523 | | | PRIORITY DATE: 06/17/195 Vernal | | | | |
| 4 | 49 356 | 1.2500 | | .00 | 7 | 1525 - 1570 | | S | 3200 E | 850 NW 2 10S | 21E SL | |

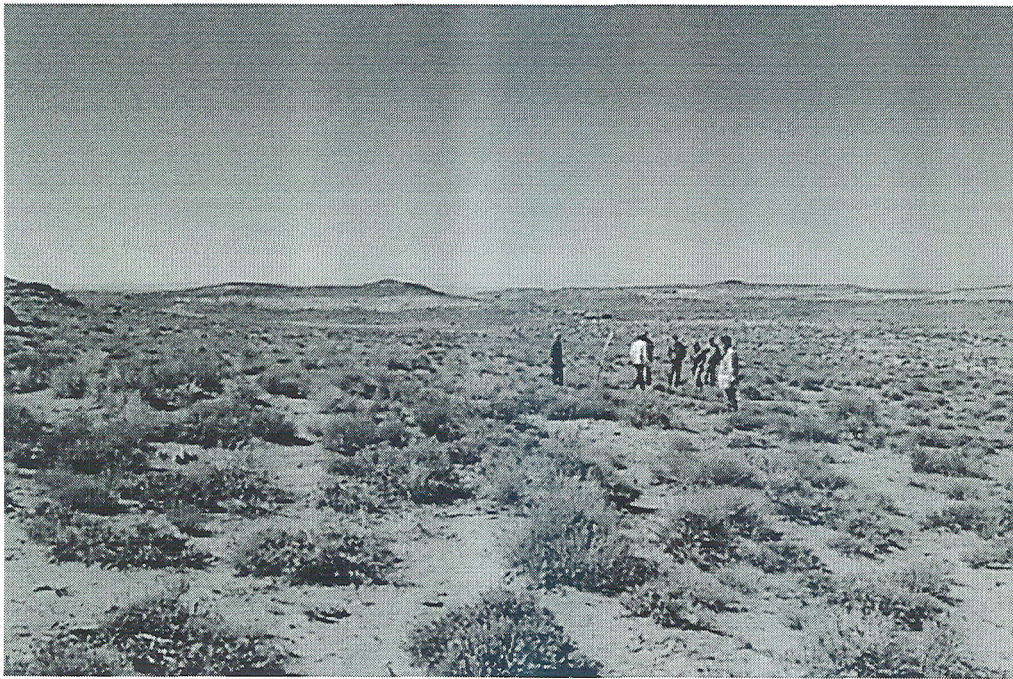
WATER USE(S): MINING OTHER
Tosco Corporation

10100 Santa Monica Blvd.

PRIORITY DATE: 07/10/197
Los Angeles











Well name:

10-00 Coastal CIGE #246Operator: **Coastal**String type: **Surface**

Project ID:

43-047-33687

Location: **Uintah County****Design parameters:****Collapse**

Mud weight: 9.000 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 75 °F

Bottom hole temperature: 78 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi

Internal gradient: 0.468 psi/ft

Calculated BHP 117 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 216 ft

Re subsequent strings:

Next setting depth: 7,500 ft

Next mud weight: 9.000 ppg

Next setting BHP: 3,506 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 7,500 ft

Injection pressure 7,500 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Est. Cost () |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1 | 250 | 8.625 | 24.00 | K-55 | ST&C | 250 | 250 | 7.972 | 2096 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 117 | 1370 | 11.72 | 117 | 2950 | 25.24 | 5 | 263 | 50.68 J |

Prepared RJK

by: Utah Dept. of Natural Resources

Date: October 11,2000

Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 250 ft, a mud weight of 9 ppg The casing is considered to be evacuated for collapse purposes.

In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

10-00 Coastal CIGE #246Operator: **Coastal**String type: **Production**

Project ID:

43-047-33687

Location: **Uintah County****Design parameters:****Collapse**

Mud weight: 10.000 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 75 °F

Bottom hole temperature: 167 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi

Internal gradient: 0.519 psi/ft

Calculated BHP 3,429 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 5,613 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Est. Cost () |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-----------------------|
| 1 | 6600 | 4.5 | 11.60 | K-55 | LT&C | 6600 | 6600 | 3.875 | 28773 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 3429 | 4960 | 1.45 | 3429 | 5350 | 1.56 | 65 | 180 | 2.76 J |

Prepared RJK

by: Utah Dept. of Natural Resources

Date: October 11,2000

Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

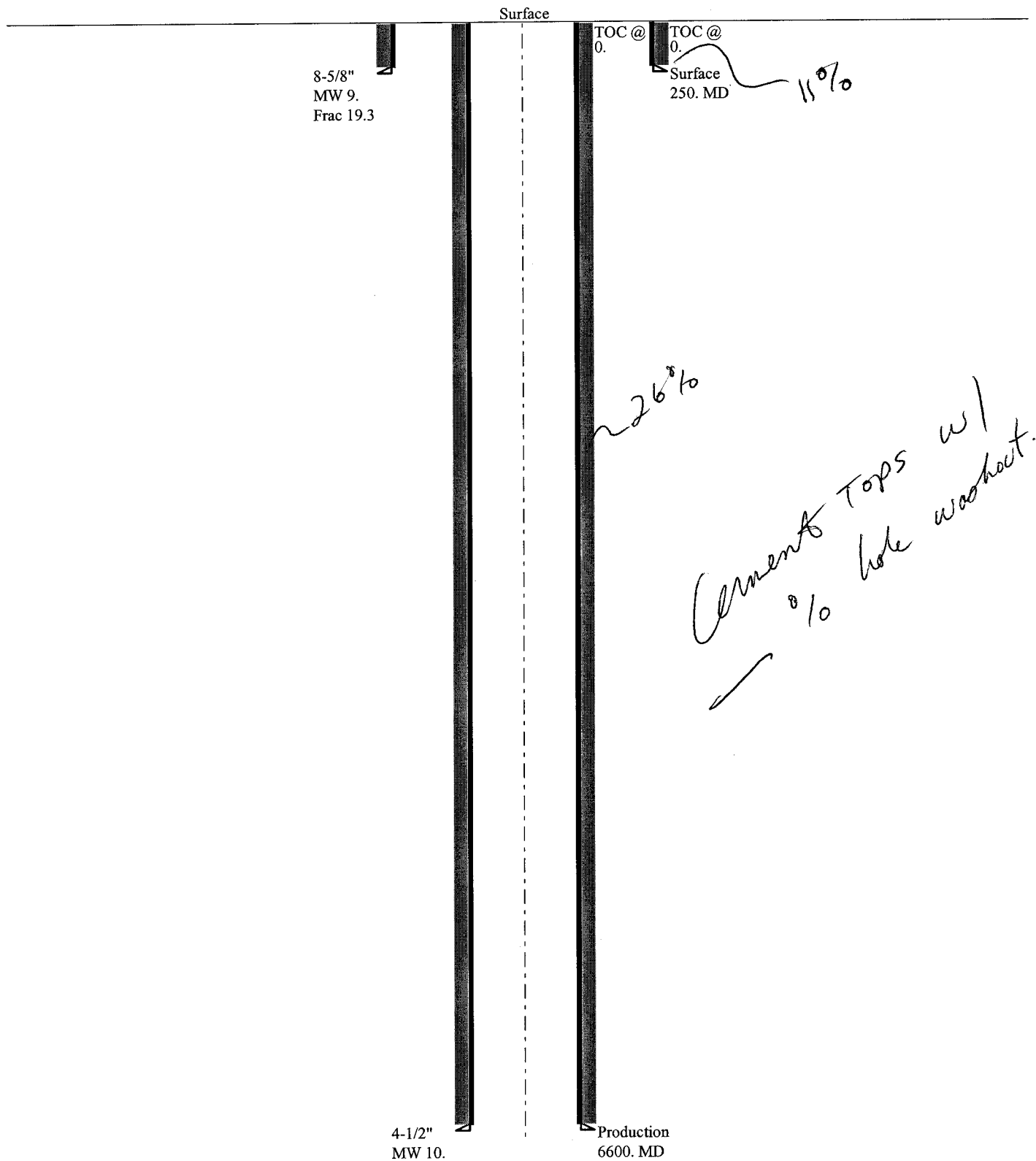
Collapse is based on a vertical depth of 6600 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes.

In addition, burst strength is biaxially adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

10-00 Coastal CIGE #246

Casing Schematic

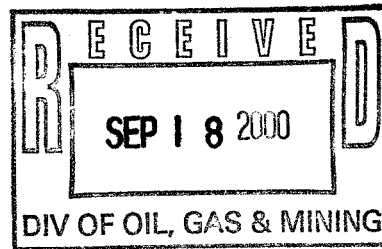




September 18, 1999

Sent by fax to : (801) 359-3940

State of Utah
Department of Natural Resources
Division of Oil Gas & Mining
1594 West North Temple
P.O. Box 145801
Salt Lake City, UT 84114-5801



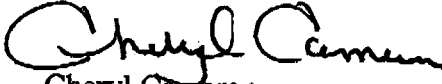
ATTENTION: Lisha Cordova

Dear Lisha,

The location for the CIGE #246 proposed well to be drilled is in the NE ¼ NW ¼ Section 2, T10S, RS21E, Uintah County, Utah, is 474' FNL & 2055' FWL of said Section 2. This location is not within 460 feet from the boundary of the Natural Buttes Unit, or is it within 460 feet of any non-committed tract lying within the boundaries of the Unit.

If you have questions or need additional information, please do not hesitate to call me, (435) 781-7023.

Sincerely,


Cheryl Cameron
Senior Regulatory Analyst

cc: well file

Coastal Oil & Gas Corporation

A SUBSIDIARY OF THE COASTAL CORPORATION
1368 S 1200 E • PO BOX 1148 • VLRNAL UT 84078 • 435/789-4433 • FAX 435/789-1136



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

October 12, 2000

Coastal Oil and Gas Corporation
PO Box 1148
Vernal, UT 84078

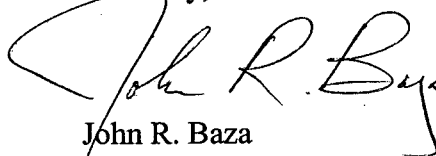
Re: CIGE 246-2-10-21 Well, 474' FNL, 2055' FWL, NE NW, Sec. 2, T. 10 South, R. 21 East,
Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33687.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
SITLA

Bureau of Land Management, Vernal Field Office

Operator: Coastal Oil and Gas Corporation
Well Name & Number CIGE 246-2-10-21
API Number: 43-047-33687
Lease: ML-22652

Location: NE NW Sec. 2 T. 10 South R. 21 East

Conditions of Approval *corrected

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Robert Krueger at (801) 538-5274 (plugging)
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☐

OTHER ☐

2. NAME OF OPERATOR:

El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR:

58 South 1200 East CITY Vernal

STATE Utah ZIP 84078

PHONE NUMBER:

435-789-4433

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Exhibit "A"

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

COUNTY:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

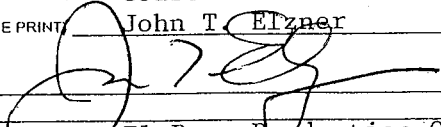
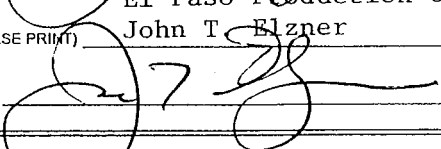
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|---|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>Name Change</u> |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

As a result of the merger between The Coastal Corporation and a wholly owned subsidiary of El Paso Energy Corporation, the name of Coastal Oil & Gas Corporation has been changed to El Paso Production Oil & Gas Company effective March 9, 2001.

See Exhibit "A"

Bond # 400JU0708

| | |
|---|----------------------|
| Coastal Oil & Gas Corporation | |
| NAME (PLEASE PRINT) John T. Elzner | TITLE Vice President |
| SIGNATURE  | DATE 06-15-01 |
| El Paso Production Oil & Gas Company | |
| NAME (PLEASE PRINT) John T. Elzner | TITLE Vice President |
| SIGNATURE  | DATE 06-15-01 |

(This space for State use only)

RECEIVED

JUN 13 2001

State of Delaware
Office of the Secretary of State

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "COASTAL OIL & GAS CORPORATION", CHANGING ITS NAME FROM "COASTAL OIL & GAS CORPORATION" TO "EL PASO PRODUCTION OIL & GAS COMPANY", FILED IN THIS OFFICE ON THE NINTH DAY OF MARCH, A.D. 2001, AT 11 O'CLOCK A.M.

RECEIVED

JUN 13 2001

DIVISION OF
OIL, GAS AND MINING



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

0610204 8100

AUTHENTICATION: 1061007

010162788

DATE: 04-03-01

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

COASTAL OIL & GAS CORPORATION (the "Company"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Company, by the unanimous written consent of its members, filed with the minutes of the Board, adopted a resolution proposing and declaring advisable the following amendment to the Certificate of Incorporation of the Company:

RESOLVED that it is deemed advisable that the Certificate of Incorporation of this Company be amended, and that said Certificate of Incorporation be so amended, by changing the Article thereof numbered "FIRST," so that, as amended, said Article shall be and read as follows:

"FIRST. The name of the corporation is El Paso Production Oil & Gas Company."

SECOND: That in lieu of a meeting and vote of stockholders, the stockholders entitled to vote have given unanimous written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said COASTAL OIL & GAS CORPORATION has caused this certificate to be signed on its behalf by a Vice President and attested by an Assistant Secretary, this 9th day of March 2001.

COASTAL OIL & GAS CORPORATION



David L. Siddall
Vice President

Attest:


Margaret E. Roark, Assistant Secretary

RECEIVED

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 11:00 AM 03/09/2001
010118394 - 0610204

JUN 19 2001

DIVISION OF
OIL, GAS AND MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

RECEIVED

JUL 12 2001

DIVISION OF
OIL, GAS AND MINING

In Reply Refer To:
3106
UTSL-065841
(UT-924)

JUL 10 2001

NOTICE

El Paso Production Oil & Gas Company : Oil and Gas
Nine Greenway Plaza :
Houston TX 77046-0095 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Coastal Oil & Gas Corporation into El Paso Production Oil & Gas Company with El Paso Production Oil & Gas Company being the surviving entity.

For our purposes, the name change is recognized effective March 9, 2001.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Coastal Oil & Gas Corporation to El Paso Production Oil & Gas Company. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Wyoming and Colorado.



Opolonia L. Abeyta
Acting Chief, Branch of
Minerals Adjudication

Enclosure

1. Exhibit of Leases (1 pp)

cc: Moab Field Office
Vernal Field Office
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217
~~State of Utah, DOGM,~~ Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114
Teresa Thompson (UT-922)
Joe Incardine (UT-921)

Exhibit of Leases

| | | | |
|---------------|-------------|-------------|-----------|
| UTUSL-065841A | UTU-47172 | UTU-74415 | UTU-53860 |
| UTU-28652 | UTU-50687 | UTU-74416 | UTU-66401 |
| UTU-37943 | UTU-52298 | UTU-75091 | UTU-67868 |
| UTU-44089 | UTU-0109054 | UTU-75096 | UTU-65389 |
| UTU-44090A | UTU-0143511 | UTU-75097 | UTU-77084 |
| UTU-61263 | UTU-0143512 | UTU-75673 | UTU-61430 |
| UTU-00343 | UTU-38401 | UTU-76259 | UTU-72633 |
| UTU-02651 | UTU-38411 | UTU-76260 | UTU-72650 |
| UTU-02651B | UTU-38418 | UTU-76261 | UTU-49692 |
| UTU-0142175 | UTU-38419 | UTU-76493 | UTU-57894 |
| UTU-70235 | UTU-38420 | UTU-76495 | UTU-76829 |
| UTU-70406 | UTU-38421 | UTU-76503 | UTU-76830 |
| UTU-74954 | UTU-38423 | UTU-78228 | UTU-76831 |
| UTU-75132 | UTU-38424 | UTU-78714 | |
| UTU-75699 | UTU-38425 | UTU-78727 | |
| UTU-76242 | UTU-38426 | UTU-78734 | |
| UTU-78032 | UTU-38427 | UTU-79012 | |
| UTU-4377 | UTU-38428 | UTU-79011 | |
| UTU-4378 | UTU-53861 | UTU-71694 | |
| UTU-7386 | UTU-58097 | UTU-00576 | |
| UTU-8344A | UTU-64376 | UTU-00647 | |
| UTU-8345 | UTU-65222 | UTU-01470D | |
| UTU-8347 | UTU-65223 | UTU-0136484 | |
| UTU-8621 | UTU-66746 | UTU-8344 | |
| UTU-14646 | UTU-67178 | UTU-8346 | |
| UTU-15855 | UTU-67549 | UTU-8648 | |
| UTU-25880 | UTU-72028 | UTU-28212 | |
| UTU-28213 | UTU-72632 | UTU-30289 | |
| UTU-29535 | UTU-73009 | UTU-31260 | |
| UTU-29797 | UTU-73010 | UTU-33433 | |
| UTU-31736 | UTU-73013 | UTU-34711 | |
| UTU-34350 | UTU-73175 | UTU-46699 | |
| UTU-34705 | UTU-73434 | UTU-78852 | |
| UTU-37116 | UTU-73435 | UTU-78853 | |
| UTU-37355 | UTU-73444 | UTU-78854 | |
| UTU-37573 | UTU-73450 | UTU-075939 | |
| UTU-38261 | UTU-73900 | UTU-0149767 | |
| UTU-39223 | UTU-74409 | UTU-2078 | |
| UTU-40729 | UTU-74410 | UTU-44426 | |
| UTU-40736 | UTU-74413 | UTU-49530 | |
| UTU-42469 | UTU-74414 | UTU-51026 | |

OPERATOR CHANGE WORKSHEET**ROUTING**

| | | |
|--------|--|--------|
| 1. GLH | | 4-KAS |
| 2. CDW | | 5-LP |
| 3. JLT | | 6-FILE |

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

X **Merger**The operator of the well(s) listed below has changed, effective: **3-09-2001**

| |
|------------------------------------|
| FROM: (Old Operator): |
| COASTAL OIL & GAS CORPORATION |
| Address: 9 GREENWAY PLAZA STE 2721 |
| |
| HOUSTON, TX 77046-0995 |
| Phone: 1-(713)-418-4635 |
| Account N0230 |
| |

| |
|---|
| TO: (New Operator): |
| EL PASO PRODUCTION OIL & GAS COMPANY |
| Address: 9 GREENWAY PLAZA STE 2721 RM 2975B |
| |
| HOUSTON, TX 77046-0995 |
| Phone: 1-(832)-676-4721 |
| Account N1845 |
| |

CA No.**Unit: NATURAL BUTTES****WELL(S)**

| NAME | API NO | ENTITY NO | SEC TWN RNG | LEASE TYPE | WELL TYPE | WELL STATUS |
|----------------------|--------------|-----------|-------------|------------|-----------|-------------|
| NBU CIGE 79D-1-10-21 | 43-047-30896 | 2900 | 01-10S-21E | STATE | GW | P |
| CIGE 107D-1-10-21 | 43-047-31747 | 2900 | 01-10S-21E | STATE | GW | P |
| CIGE 205-1-10-21 | 43-047-32795 | 2900 | 01-10S-21E | STATE | GW | P |
| CIGE 244-1-10-21 | 43-047-33209 | 2900 | 01-10S-21E | STATE | GW | P |
| CIGE 245-1-10-21 | 43-047-33210 | 2900 | 01-10S-21E | STATE | GW | P |
| UTE TRAIL U 88X-2G | 43-047-15389 | 2900 | 02-10S-21E | STATE | GW | P |
| NBU CIGE 18-2-10-21 | 43-047-30471 | 2900 | 02-10S-21E | STATE | GW | P |
| NBU CIGE 80D-2-10-21 | 43-047-30853 | 2900 | 02-10S-21E | STATE | GW | P |
| CIGE 100D-2-10-21 | 43-047-31731 | 2900 | 02-10S-21E | STATE | GW | P |
| NBU 265 | 43-047-32796 | 2900 | 02-10S-21E | STATE | GW | P |
| CIGE 224-2-10-21 | 43-047-32883 | 2900 | 02-10S-21E | STATE | GW | P |
| CIGE 246-2-10-21 | 43-047-33687 | 99999 | 02-10S-21E | STATE | GW | APD |
| CIGE 81D-4-10-21 | 43-047-30854 | 2900 | 04-10S-21E | STATE | GW | S |
| CIGE 136-4-10-21 | 43-047-31979 | 2900 | 04-10S-21E | STATE | GW | S |
| NBU 28 | 43-047-30305 | 2900 | 13-10S-21E | STATE | GW | S |
| NBU 270 | 43-047-32862 | 2900 | 13-10S-21E | STATE | GW | P |
| NBU 333 | 43-047-33641 | 2900 | 13-10S-21E | STATE | GW | P |
| NBU CIGE 58-16-10-21 | 43-047-30532 | 2900 | 16-10S-21E | STATE | GW | S |
| NBU 62 | 43-047-30909 | 2900 | 16-10S-21E | STATE | GW | S |
| CIGE 140-16-10-21 | 43-047-31977 | 2900 | 16-10S-21E | STATE | GW | P |

OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 06/19/2001
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 06/19/2001
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/21/2001
4. Is the new operator registered in the State of Utah: YES Business Number: 608186-0143

5. If **NO**, the operator was contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 07/10/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 07/10/2001
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 07/19/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 07/19/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: 400JU0705

FEDERAL BOND VERIFICATION:

1. Federal well(s) covered by Bond No.: N/A

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond No: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

FILMING:

1. All attachments to this form have been **MICROFILMED** on: _____

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filed in each well file on: _____

COMMENTS: Master list of all wells involved in operator change from Coastal Oil & Gas Corporation to El Paso Production Oil and Gas Company shall be retained in the "Operator Change File".

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

| | | |
|--|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals | | 6. Lease Designation and Serial Number ML-22652 |
| | | 7. Indian Allottee or Tribe Name |
| | | 8. Unit or Communitization Agreement Natural Buttes |
| | | 9. Well Name and Number CIGE #246 |
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) | | 10. API Well Number 43-047-33687 |
| 2. Name of Operator El Paso Production Oil & Gas Company | | 11. Field and Pool, or Wildcat Natural Buttes |
| 3. Address of Operator P.O. Box 1148 Vernal, UT 84078 | 4. Telephone Number (435) 781-7023 | |
| 5. Location of Well Footage : 474' FNL & 2055' FWL County : Uintah QQ, Sec, T., R., M : NENW Sec. 2, T10S, R21E State : UT | | |
| 12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |

NOTICE OF INTENT
 (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>APD Extension</u> | |

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
 (Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Operator requests that a one year APD extension be granted for the subject well.

**Approved by the
 Utah Division of
 Oil, Gas and Mining**

Date: 10-30-01
 By: [Signature]

COPY SENT TO OPERATOR
 Date: 10-30-01
 Initials: CHD

RECEIVED

OCT 29 2001

DIVISION OF
 OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.

Name & Signature Cheryl Cameron Title Regulatory Analyst Date 10/22/01

(State Use Only)



United States Department of the Interior **RECEIVED**

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

FEB 22 2002

DIVISION OF
OIL, GAS AND MINING

In Reply Refer To:

3106

UTU-25566 et al

(UT-924)

FEB 21 2002

NOTICE

Westport Oil and Gas Company L.P. : Oil and Gas
410 Seventeenth Street, #2300 :
Denver Colorado 80215-7093 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the name change of Westport Oil and Gas Company, Inc. into Westport Oil and Gas Company, L.P. with Westport Oil and Gas Company, L.P. being the surviving entity.

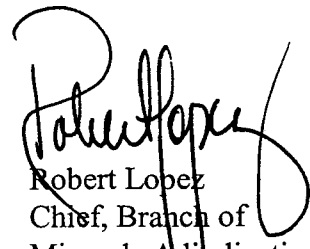
For our purposes, the name change is recognized effective December 31, 2001.

The oil and gas lease files identified have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our computer program. We have not abstracted the lease files to determine if the entities affected by this name change hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested recorded title or operating rights interests. We will be notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify additional leases in which the entities maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

Due to the name change, the name of the principal/obligor on the bond is required to be changed from Westport Oil and Gas Company, Inc. to Westport Oil and Gas Company, L.P.. You may accomplish this either by consent of surety rider on the original bond or a rider to the original bond. The bonds are held in Colorado.

UTU-03405
UTU-20895
UTU-25566
UTU-43156
UTU-49518
UTU-49519
UTU-49522
UTU-49523



Robert Lopez
Chief, Branch of
Minerals Adjudication

cc: Moab Field Office
Vernal Field Office
MMS, Reference Data Branch, MS3130, PO Box 5860, Denver CO 80217
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC UT 84114
Teresa Thompson (UT-922)
Joe Incardine (UT-921)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

| | | |
|--|---------------------------------------|---|
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals | | 6. Lease Designation and Serial Number <div align="center">ML-22652</div> |
| | | 7. Indian Allottee or Tribe Name |
| | | 8. Unit or Communitization Agreement <div align="center">NATURAL BUTTES UNIT</div> |
| | | 9. Well Name and Number <div align="center">CIGE #246</div> |
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) | | 10. API Well Number <div align="center">43-047-33687</div> |
| 2. Name of Operator El Paso Production Oil & Gas Company | | 11. Field and Pool, or Wildcat <div align="center">NATURAL BUTTES</div> |
| 3. Address of Operator P.O. Box 1148 Vernal, Utah 84078 | 4. Telephone Number (435) 781-7024 | |
| 5. Location of Well Footage : 474'FNL & 2055'FWL County : UINTAH QQ, Sec, T., R., M. : NENW SECTION 2-T10S-R21E State : Utah | | |
| 12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |

NOTICE OF INTENT

(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>APD EXTENSION</u> | |

Approximate Date Work Will Start IMMEDIATE**SUBSEQUENT REPORT**

(Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE OPERATOR REQUESTS THAT THE APD FOR THE SUBJECT WELL BE EXTENDED FOR AN ADDITIONAL YEAR SO THAT DRILLING OPERATIONS MAY BE COMPLETED.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: 09-26-02By: Bradley

COPY SENT TO OPERATOR
 Date: 9-27-02
 Initials: CHD

RECEIVED

SEP 23 2002

DIVISION OF
 OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.

Name & Signature Sheila UpchegoTitle Regulatory AnalystDate 09/18/02

(State Use Only)

JAN. 17. 2003 3:34PM

PORT

NO. 173 P. 2

**WESTPORT OIL AND GAS COMPANY, L.P.**

410 Seventeenth Street #2300 Denver Colorado 80202-4436
Telephone: 303 573 5404 Fax: 303 573 5609

February 1, 2002

Department of the Interior
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215-7093
Attention: Ms. Martha Maxwell

RE: BLM Bond CO-1203
BLM Nationwide Bond 158626364
Surety -- Continental Casualty Company
Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.
Conversion of Westport Oil and Gas Company, Inc., into Westport Oil and Gas Company, L.P.
Assumption Rider -- Westport Oil and Gas Company, L.P.

Dear Ms. Maxwell:

Pursuant to our recent conversations, please find the following list of enclosures for the BLM's consideration and approval:

Two (2) Assumption Riders, fully executed originals.
Copies of Belco Energy Corporation merger into Westport Oil and Gas Company, Inc.
Copies of Westport Oil and Gas Company, Inc., conversion into Westport Oil and Gas Company, L.P.
List of all Federal/BIA/State Leases - Belco/Westport's leases -- in all states.

Please inform us of any additional information needed to complete the change to Westport Oil and Gas Company, L.P., as operator of record.

I thank you for your assistance and cooperation in this matter. Please do not hesitate contacting the undersigned, should a question arise.

Sincerely,
Westport Oil and Gas Company, L.P.

Debby J. Black
Engineer Technician

Encl:

memorandum

Branch of Real Estate Services
Uintah & Ouray Agency

Date: 5 December, 2002

Reply to
Attn of: Supervisory Petroleum Engineer

Subject: Modification of Utah Division of Oil, Gas and Mining Regulations

To: Director, Utah Division of Oil, Gas and Mining Division: John Baza

We have been advised of changes occurring with the operation of your database for Change of Operator. You will be modifying your records to reflect Change of Operator once you have received all necessary documentation from the companies involved, and perhaps in advance of our Notice of Concurrence/Approval of Change of Operator where Indian leases are involved.

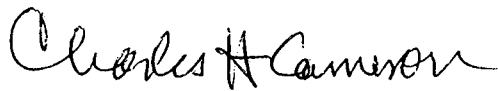
We have no objection.

With further comment to Rulemaking, I wish to comment concerning the provision of Exhibits for upcoming Hearings. I would like to see the Uintah & Ouray Agency, BIA, and the Ute Indian Tribe, Energy & Mineral Resources Department added to the list of those parties that receive advance Exhibits so as to allow us to have research time prior to Hearing dates. We will be able to provide a more informed recommendation to the Oil, Gas and Mining Board. It would be best if we would receive only those Exhibits that concern Indian lands, specifically on or adjacent to Indian lands. This may be a difficult situation to attain, as it is not always clear where 'on or adjacent' occurs.

I am aware that you have gone to extra effort to correct this matter already, and I fully appreciate it. My request is intended only to allow the addition of Uintah & Ouray Agency and Ute Indian Tribe to the official listing.

We appreciate your concern, and hope that these comments are timely enough for consideration in the revision process.

CC: Minerals & Mining Section of RES
Ute Energy & Mineral Resources Department: Executive Director
chrono





IN REPLY REFER TO:
Real Estate Services

United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Washington, D.C. 20240

FEB 10 2003

Carroll A. Wilson
Principal Landman
Westport Oil and Gas Company, L.P.
1368 South 1200 East
Vernal, Utah 84078

Dear Mr. Wilson:

This is in response to your request for approval of RLI Insurance Company's Nationwide Oil and Gas Lease Bond No. RLB0005239 executed effective December 17, 2002, (\$150,000 coverage) with Westport Oil and Gas Company, L. P., as principal.

This bond is hereby approved as of the date of this correspondence and will be retained in the Bureau of Indian Affairs' Division of Real Estate Services, 1849 C Street, NW, MS-4512-MIB, Washington, D.C. 20240. All Bureau oil and gas regional offices and the surety are being informed of this action.

In cases where you have existing individual and/or collective bonds on file with one or more of our regional offices, you may now request those offices, directly, to terminate in lieu of coverage under this Nationwide Bond.

Enclosed is a copy of the approved bond for your files. If we may be of further assistance in this matter, please advise.

Sincerely,

Director, Office of Trust Responsibilities

ACTING

Enclosure

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

Exhibit "A"

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☐

OTHER _____

2. NAME OF OPERATOR:

El Paso Production Oil & Gas Company

3. ADDRESS OF OPERATOR:

9 Greenway Plaza

CITY

Houston

STATE

TX

ZIP

77064-0995

PHONE NUMBER:

(832) 676-5933

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|--|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input checked="" type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator change to Westport Oil and Gas Company, L.P., 1670 Broadway, Suite 2800, Denver, CO. 80202-4800, effective December 17, 2002.

BOND # _____

State Surety Bond No. RLB0005236
Fee Bond No. RLB0005238

EL PASO PRODUCTION OIL & GAS COMPANY

By: _____

Jon R. Nelsen, Attorney-in-Fact

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

WESTPORT OIL AND GAS COMPANY, L.P.

NAME (PLEASE PRINT)

David R. Dix

TITLE

Agent and Attorney-in-Fact

SIGNATURE

DATE

12/17/02

(This space for State use only)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

February 27, 2003

Westport Oil and Gas Company, L.P.
Attn: Gary D. Williamson
1670 Broadway, Suite 2800
Denver, Colorado 80202

Re: Natural Buttes Unit
Uintah County, Utah

Gentlemen:

On February 27, 2003, we received an indenture dated December 17, 2002, whereby El Paso Production Oil & Gas Company resigned as Unit Operator and Westport Oil and Gas Company, L.P., was designated as Successor Unit Operator for the Natural Buttes Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective February 27, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Natural Buttes Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1203 will be used to cover all operations within the Natural Buttes Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)
SITLA
Division of Oil, Gas & Mining
Minerals Adjudication Group
File - Natural Buttes Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TAThompson:tt:02/27/2003

RECEIVED

FEB 28 2003

DIV. OF OIL, GAS & MINING

Form 3160-5
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.*FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

5. Lease Serial No.

SEE ATTACHED EXHIBIT "A"

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-7023

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SEE ATTACHED EXHIBIT "A"

8. Well Name and No.

SEE ATTACHED EXHIBIT "A"

9. API Well No.

SEE ATTACHED EXHIBIT "A"

10. Field and Pool, or Exploratory Area

11. County or Parish, State

UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ OtherSUCCESSOR OF
OPERATOR

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration then. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and so. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed if testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.

WESTPORT OIL & GAS COMPANY, L.P., IS CONSIDERED TO BE THE OPERATOR ON THE ATTACHED DESCRIBED LANDS AND IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR THE OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF, BOND COVERAGE FOR THIS WELL IS PROVIDED BY FEDERAL NATIONWIDE BOND NO. 158626364, EFFECTIVE FEBRUARY 1, 2002, AND BIA NATIONWIDE BOND NO. RLB0005239, EFFECTIVE FEBRUARY 10, 2003.

RECEIVED

MAR 04 2003

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

CHERYL CAMERON

Title

OPERATIONS

Signature

Date

March 4, 2003

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

DIV. OF OIL, GAS & MINING

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH

2. CDW✓

3. FILE

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

12-17-02

FROM: (Old Operator):

EL PASO PRODUCTION OIL & GAS COMPANY

Address: 9 GREENWAY PLAZA

HOUSTON, TX 77064-0995

Phone: 1-(832)-676-5933

Account No. N1845

TO: (New Operator):

WESTPORT OIL & GAS COMPANY LP

Address: P O BOX 1148

VERNAL, UT 84078

Phone: 1-(435)-781-7023

Account No. N2115

CA No.

Unit:

NATURAL BUTTES

WELL(S)

| NAME | SEC TWN RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|----------------------|----------------|--------------|--------------|---------------|--------------|----------------|
| NBU 43N | 26-10S-20E | 43-047-30848 | 2900 | FEDERAL | GW | S |
| NBU 397 | 26-10S-20E | 43-047-34365 | 99999 | FEDERAL | GW | APD |
| NBU CIGE 55-1-10-21 | 01-10S-21E | 43-047-30512 | 2900 | STATE | GW | P |
| NBU CIGE 79D-1-10-21 | 01-10S-21E | 43-047-30896 | 2900 | STATE | GW | P |
| CIGE 107D-1-10-21 | 01-10S-21E | 43-047-31747 | 2900 | STATE | GW | P |
| CIGE 205-1-10-21 | 01-10S-21E | 43-047-32795 | 2900 | STATE | GW | P |
| NBU 211 | 01-10S-21E | 43-047-32339 | 2900 | FEDERAL | GW | P |
| NBU 264 | 01-10S-21E | 43-047-33000 | 2900 | FEDERAL | GW | P |
| CIGE 244-1-10-21 | 01-10S-21E | 43-047-33209 | 2900 | STATE | GW | P |
| CIGE 245-1-10-21 | 01-10S-21E | 43-047-33210 | 2900 | STATE | GW | P |
| NBU 329 | 01-10S-21E | 43-047-33227 | 2900 | FEDERAL | GW | P |
| NBU 284 | 01-10S-21E | 43-047-34792 | 99999 | STATE | GW | APD |
| NBU 444 | 01-10S-21E | 43-047-34796 | 99999 | FEDERAL | GW | APD |
| NBU 71 | 01-10S-21E | 43-047-31101 | 2900 | FEDERAL | GW | PA |
| NBU 265 | 02-10S-21E | 43-047-32796 | 2900 | STATE | GW | P |
| CIGE 224-2-10-21 | 02-10S-21E | 43-047-32883 | 2900 | STATE | GW | P |
| CIGE 246-2-10-21 | 02-10S-21E | 43-047-33687 | 99999 | STATE | GW | APD |
| CIGE 100D-2-10-21 | 02-10S-21E | 43-047-31731 | 2900 | STATE | GW | P |
| UTE TRAIL U 88X-2G | 02-10S-21E | 43-047-15389 | 2900 | STATE | GW | P |
| CIGE 10-2-22 | 02-10S-22E | 43-047-30425 | 2900 | STATE | GW | P |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/28/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/04/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/06/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 1355743-0181
5. If **NO**, the operator was contacted on: _____

6. (R649-9-2) Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM-12/31/2003 BIA-12/5/02

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 02/27/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the Oil and Gas Database on: 03/19/2003
2. Changes have been entered on the Monthly Operator Change Spread Sheet on: 03/19/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: RLB 0005236

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 158626364

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: RLB 0005239

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB 0005238
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

| | | |
|--|--------------------------------------|---|
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals | | 6. Lease Designation and Serial Number ML-22652 |
| | | 7. Indian Allottee or Tribe Name |
| | | 8. Unit or Communitization Agreement NATURAL BUTTES UNIT |
| | | 9. Well Name and Number CIGE 246-2-10-21 |
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) | | 10. API Well Number 43-047-33687 |
| 2. Name of Operator WESTPORT OIL & GAS COMPANY, L.P. | | 11. Field and Pool, or Wildcat NATURAL BUTTES |
| 3. Address of Operator P.O. BOX 1148, VERNAL, UTAH 84078 | 4. Telephone Number (435)781-7060 | |
| 5. Location of Well Footage : 474' FNL 2055' FWL County : UINTAH QQ, Sec, T., R., M : NENW SECTION 2-T10S-R21E State : UTAH | | |
| 12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | |

NOTICE OF INTENT
(Submit in Duplicate)

| | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>APD EXTENSION</u> | |

Approximate Date Work Will Start IMMEDIATE

SUBSEQUENT REPORT
(Submit Original Form Only)

| | |
|--|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of Work Completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
 * Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE OPERATOR REQUESTS THAT THE APD FOR THE SUBJECT WELL BE EXTENDED FOR AN ADDITIONAL YEAR SO THAT DRILLING OPERATIONS MAY BE COMPLETED.

Approved by the
 Utah Division of
 Oil, Gas and Mining

Date: 09-15-03
 By: [Signature]

RECEIVED

SEP 10 2003

DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR

Date: 9-17-03
 Initials: CHD

14. I hereby certify that the foregoing is true and correct.

Name & Signature DEBRA DOMENICI Title SR ADMIN ASSIST Date 09/03/03

(State Use Only)

RESET

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-33687
Well Name: CIGE 246
Location: NENW 2-10S-21E
Company Permit Issued to: WESTPORT OIL & GAS COMPANY, L.P.
Date Original Permit Issued: 10/12/2000

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐

Dana Domencic
Signature

9/3/2003
Date

Title: SR ADMINISTRATIVE ASSISTANT

Representing: WESTPORT OIL & GAS COMPANY, L.P.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

WESTPORT OIL & GAS COMPANY, L.P.

3a. Address

P.O. BOX 1148 VERNAL, UT 84078

3b. Phone No. (include area code)

(435) 781-

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Multiple Wells - see attached

5. Lease Serial No.

Multiple Wells - see attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

891008900A

8. Well Name and No.

Multiple Wells - see attached

9. API Well No.

Multiple Wells - see attached

10. Field and Pool, or Exploratory Area

Natural Buttes Unit

11. County or Parish, State

Uintah County, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Westport Oil & Gas requests a variance to Onshore Order No. 4, Part IIIC.a. requiring each sales tank be equipped with a pressure-vacuum thief hatch and/or vent line valve. The variance is requested as an economic analysis shows the value of the shrunk condensate will not payout the incremental cost of purchasing and maintaining the valve resulting in a loss of value over the producing life of the well.

The volume lost to shrinkage by dropping the tank pressure from 6 ozs. to 0 psig is shown to be 0.3% of the tank volume. This was determined by lab analysis of a representative sample from the field. The sample shrunk from 98.82% of original volume to 98.52% when the pressure was dropped. The average NBU well produces approximately 6 bbls condensate per month. The resulting shrinkage would amount to 0.56 bbls per month lost volume due to shrinkage. The value of the shrunk and lost condensate does not recoup or payout the cost of installing and maintaining the valves and other devices that hold the positive tank pressure. An economic run based on the loss and costs is attached. Westport Oil & gas requests approval of this variance in order to increase the value of the well to the operator and the mineral royalty owners.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

J.T. Conley

Signature

COPY SENT TO OPERATOR

Date: 9-2-2003

Initials: JTC

Title

Operations Manager

9-2-2003

SEP 10 2003

DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Accepted by the
Utah Division of
Oil, Gas and Mining

Date

Federal Approval of This
Action Is Necessary

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Date: 9/16/03

Title 18 U.S.C. Section 1001, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

| | | | | |
|-----------|---------------|------------|------------|------------------|
| CIGE 194 | 1-10-22 SWNW | U011336 | 891008900A | 430473293200S1 |
| CIGE 195 | 2 ? NWNE | ML22651 | 89100 | 430473279700S1 ✓ |
| CIGE 196 | 6-2 SESE | UTU01195 | 891008900A | 430473300300S1 |
| CIGE 197 | 7-9-21 NWNE | UTU0149767 | 891008900A | 430473279800S1 |
| CIGE 198 | 9-9-21 NESE | UTU01188 | 891008900A | 430473279900S1 |
| CIGE 199 | 14-9-21 NENW | UTU01193 | 891008900A | 430473280100S1 |
| CIGE 200 | 16-9-21 SENW | UTU38409 | 891008900A | 430473280200S1 |
| CIGE 201 | 18-9-21 SENE | UTU0575 | 891008900A | 430473280400S1 |
| CIGE 202 | 21-9-21 SESE | UTU0576 | 891008900A | 430473280500S1 |
| CIGE 203 | 34-9-21 NWNE | UTU01194A | 891008900A | 430473288100S1 ✓ |
| CIGE 204 | 35-9-21 SWNE | ML22582 | 891008900A | 430473279400S1 ✓ |
| CIGE 205 | 1-10-21 SWNE | ML23612 | 891008900A | 430473279500S1 ✓ |
| CIGE 206 | 4-10-21 SESE | U01416 | 891008900A | 430473299600S1 |
| CIGE 207 | 8-10-21 NENE | UTU01791 | 891008900A | 430473297500S1 |
| CIGE 208 | 8-10-21 SWNE | UTU01791 | 891008900A | 430473299700S1 |
| CIGE 209 | 15-10-21 NENW | UTU01791A | 891008900A | 430473294300S1 |
| CIGE 210 | 16-10-21 NESE | ML10755 | 891008900A | 430473288800S1 |
| CIGE 212 | 34-9-22 NENE | UTU0149077 | 891008900A | 430473293800S1 |
| CIGE 213 | 33-9-22 SENW | UTU01191A | 891008900A | 430473293300S1 |
| CIGE 214 | 13-9-21 NESW | U01193 | 891008900A | 430473291800S1 |
| CIGE 215X | 15-9-21 NENE | UTU01188 | 891008900A | 430473369000S1 |
| CIGE 216 | 15-9-21 SWNE | UTU01193 | 891008900A | 430473292000S1 |
| CIGE 217 | 16-9-21 NWSW | ML3141 | 891008900A | 430473289800S1 |
| CIGE 218 | 19-9-21 NWNE | U0581 | 891008900A | 430473292100S1 |
| CIGE 219 | 29-9-22 NESW | U01207 | 891008900A | 430473286400S1 ✓ |
| CIGE 220 | 31-9-22 SWNE | U10530A | 891008900A | 430473288400S1 ✓ |
| CIGE 221 | 36-9-22 SWSW | ML22650 | 891008900A | 430473286800S1 ✓ |
| CIGE 222 | 36-9-22 NESW | ML22650 | 891008900A | 430473286900S1 ✓ |
| CIGE 223 | 1-10-22 NWNW | U011336 | 891008900A | 430473298300S1 |
| CIGE 224 | 2-10-21 SWNE | ML2252 | 891008900A | 430473288300S1 ✓ |
| CIGE 225 | 3-10-21 SENW | UTU0149078 | 891008900A | 430473489500S1 |
| CIGE 226 | 3-10-21 SESW | U0149078 | 891008900A | 430473299500S1 |
| CIGE 227 | 9-10-21 SESE | UTU01791 | 891008900A | 430473299800S1 |
| CIGE 228 | 15-10-21 SWNE | UTU01416A | 891008900A | 430473299900S1 |
| CIGE 229 | 1-10-20 NWSW | UTU02270A | 891008900A | 430473300600S1 |
| CIGE 230 | 13-10-20 SENE | UTU02270A | 891008900A | 430473288500S1 |
| CIGE 231 | 7-9-21 SENE | UTU0575B | 891008900A | 430473302100S1 |
| CIGE 232 | 9-9-21 NENE | UTU01188A | 891008900A | 430473283600S1 |
| CIGE 233 | 21-9-21 NWNE | UTU0576 | 891008900A | 430473302200S1 |
| CIGE 234 | 25-9-21 SWNE | U01189 | 891008900A | 430473287300S1 ✓ |
| CIGE 235 | 25-9-21 NWSE | U01194 | 891008900A | 430473285800S1 ✓ |
| CIGE 236 | 34-9-21 SESE | U01194A | 891008900A | 430473286100S1 ✓ |
| CIGE 237 | 15-9-21 NWSE | UTU010950A | 891008900A | 430473387800S1 |
| CIGE 239 | 35-9-21 SENE | ML22582 | 891008900A | 430473320600S1 ✓ |
| CIGE 240 | 29-9-22 SENW | ML22935 | 891008900A | 430473320700S1 |
| CIGE 241 | 32-9-22 NENW | ML22649 | 891008900A | 430473320800S1 |
| CIGE 242 | 33-9-22 NWNW | UTU01191A | 891008900A | 430473402200S1 |
| CIGE 244 | 1-10-21 NENW | ML23612 | 891008900A | 430473320900S1 ✓ |
| CIGE 245 | 1-10-21 SENE | ML23612 | 891008900A | 430473321000S1 ✓ |
| CIGE 246 | 2-10-21 NENW | ML-22652 | 891008900A | 430473368700S1 |
| CIGE 247 | 16-10-21 SWSE | ML10755 | 891008900A | 430473363900S1 |
| CIGE 248 | 21-10-21 NWSW | U02278 | 891008900A | 430473322600S1 |
| CIGE 249 | 8-10-22 NWNW | UTU466 | 891008900A | 430473402300S1 |
| CIGE 250 | 8-10-22 NESE | UTU01196E | 891008900A | 430473374300S1 |
| CIGE 251 | 15-10-21 SWNW | UTU01791A | 891008900A | 430473372000S1 |
| CIGE 252 | 21-10-21 SENW | UTU02278 | 891008900A | 430473372100S1 |
| CIGE 253 | 21-10-21 SESW | UTU02278 | 891008900A | 430473372200S1 |
| CIGE 254 | 9-10-21 NWNE | UTU01416 | 891008900A | 430473372300S1 |
| CIGE 255 | 7-9-21 SESE | UTU0575B | 891008900A | 430473397000S1 |
| CIGE 256 | 9-9-21 SWNE | UTU01188A | 891008900A | 430473397100S1 |
| CIGE 257 | 18-9-21 LOT 2 | U0581 | 891008900A | 430473466600S1 ✓ |

Westport Oil & Gas, L.P.

Project Economics Works

Instructions:

Fill in blue areas with before and after project data. The evaluation results are shown below and graphed automatically at the bottom of the page. This sheet is protected to prevent accidental alteration of the formulas. See JTC for changes. OPX entered as annual costs and/or as unit OPX costs for \$/BF and \$/MCF

Project Name:

Condensate Shrinkage Economics

Is this job a well pull or production rig job ??? ☐ N (Y or N)

| | BEFORE \$/Year | AFTER \$/Year | DIFFERENCE \$/Year |
|-------------------------|-------------------|------------------|-----------------------|
| Gross Oil Revenue | \$1,088 | \$1,099 | \$11 |
| Gross Gas Revenue | \$0 | \$0 | \$0 |
| NGL Revenue | \$0 | \$0 | \$0 |
| PULING UNIT SERVICE | | | \$0 |
| WIRELINE SERVICE | | | \$0 |
| SUBSURF EQUIP REPAIRS | | | \$0 |
| COMPANY LABOR | | | \$0 |
| CONTRACT LABOR | \$0 | \$200 | \$200 |
| CONTR SERVICE | | | \$0 |
| LEASE FUEL GAS | \$0 | \$0 | \$0 |
| UTILITIES - ELECTRICITY | \$0 | \$0 | \$0 |
| CHEMICAL TREATING | | | \$0 |
| MATERIAL & SUPPLY | \$0 | \$150 | \$150 |
| WATER & HAULING | | | \$0 |
| ADMINISTRATIVE COSTS | | | \$0 |
| GAS PLANT PROCESSING | | | \$0 |
| Totals | \$0 | \$350 | \$350 |

Increased OPX Per Year

Investment Breakdown:

| | Cap/Exp Code | Cost, \$ |
|------------|-----------------|----------|
| Capital \$ | 820/830/840 | \$1,200 |
| Expense \$ | 830/860 | \$0 |
| Total \$ | | \$1,200 |

| | | |
|---------------|----------|--------------|
| Oil Price | \$ 23.00 | \$/BO |
| Gas Price | \$ 3.10 | \$/MCF |
| Electric Cost | \$ - | \$/ HP / day |
| OPX/BF | \$ 2.00 | \$/BF |
| OPX/MCF | \$ 0.62 | \$/MCF |

Production & OPX Detail:

| | Before | | After | | Difference |
|-----------------|--------|-------|-------|-------|------------|
| Oil Production | 0.192 | BOPD | 0.194 | BOPD | 0.002 |
| Gas Production | 0 | MCFPD | 0 | MCFPD | 0 |
| Wtr Production | 0 | BWPD | 0 | BWPD | 0 |
| Horse Power | | HP | | HP | 0 |
| Fuel Gas Burned | | MCFPD | | MCFPD | 0 |

Project Life:

Life = 20.0 Years
(Life no longer than 20 years)

Internal Rate of Return:

After Tax IROR = #DIV/0!

AT Cum Cashflow:

Operating Cashflow = (\$2,917) (Discounted @ 10%)

Payout Calculation:

$$\text{Payout} = \frac{\text{Total Investment}}{\text{Sum(OPX + Incremental Revenue)}} = 1$$

Payout occurs when total AT cashflow equals investment
See graph below, note years when cashflow reaches zero

Payout = NEVER Years or #VALUE! Days

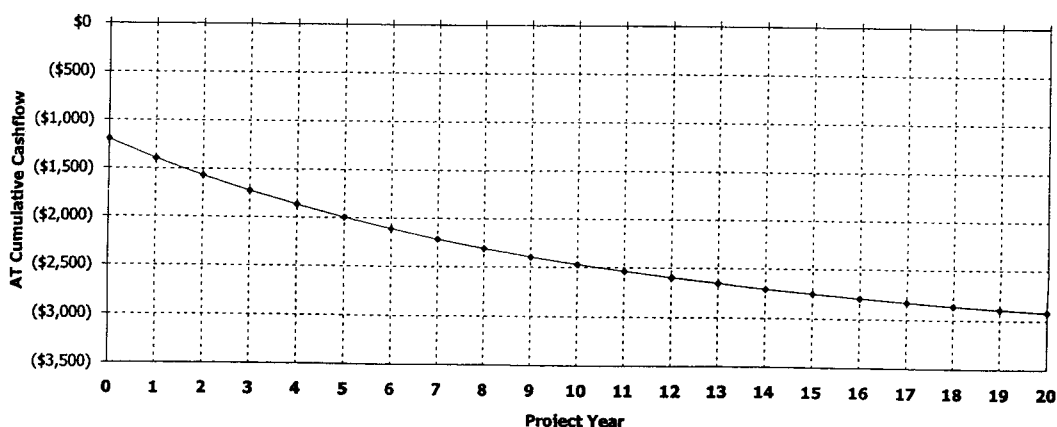
Gross Reserves:

| | |
|----------------------|---------|
| Oil Reserves = | 6 BO |
| Gas Reserves = | 0 MCF |
| Gas Equiv Reserves = | 38 MCFE |

Notes/Assumptions:

An average NBU well produces 0.192 Bcpd with no tank pressure. The production is increased to 0.196 Bcpd if 6 ozs of pressure are placed on the tank. The increased production does not payout the valve cost or the estimated annual maintenance costs.

Project: Condensate Shrinkage Economics



Westport Oil and Gas, Inc.

NBU/Ouray Field

RFL 2003-022

COMPARISON OF FLASH BACK PRESSURES

Calculated by Characterized Equation-of-State

| Flash Conditions | | Gas/Oil Ratio (scf/STbbl) (A) | Specific Gravity of Flashed Gas (Air=1.000) | Separator Volume Factor (B) | Separator Volume Percent (C) |
|------------------|----|---------------------------------------|---|-----------------------------------|------------------------------------|
| psig | °F | | | | |

Calculated at Laboratory Flash Conditions

| | | | | | |
|----|-----|------|-------|-------|---------|
| 80 | 70 | | | 1.019 | |
| 0 | 122 | 30.4 | 0.993 | 1.033 | 101.37% |
| 0 | 60 | 0.0 | — | 1.000 | 98.14% |

Calculated Flash with Backpressure using Tuned EOS

| | | | | | |
|--------|----|------|-------|-------|--------|
| 80 | 70 | | | 1.015 | |
| 6.0 oz | 65 | 24.6 | 0.777 | 1.003 | 98.82% |
| 0 | 60 | 0.0 | — | 1.000 | 98.52% |
| 80 | 70 | | | 1.015 | |
| 4.0 oz | 65 | 24.7 | 0.778 | 1.003 | 98.82% |
| 0 | 60 | 0.0 | — | 1.000 | 98.52% |
| 80 | 70 | | | 1.015 | |
| 2.0 oz | 65 | 24.7 | 0.779 | 1.003 | 98.82% |
| 0 | 60 | 0.0 | — | 1.000 | 98.52% |
| 80 | 70 | | | 1.015 | |
| 0 | 65 | 24.8 | 0.780 | 1.003 | 98.82% |
| 0 | 60 | 0.0 | — | 1.000 | 98.52% |

(A) Cubic Feet of gas at 14.696 psia and 60 °F per Barrel of Stock Tank Oil at 60 °F.

(B) Barrels of oil at indicated pressure and temperature per Barrel of Stock Tank Oil at 60 °F.

(C) Oil volume at indicated pressure and temperature as a percentage of original saturated oil volume.

Note: Bubblepoint of sample in original sample container was 80 psig at 70° F with 1 cc water



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

September 21, 2004

Sheila Upchego
Westport Resources Corp.
1368 South 1200 East
Vernal UT 84078

Re: APD Rescinded – CIGE 246-2-10-21, Sec. 2, T. 10S, R. 21E
Uintah County, Utah API No. 43-047-33687

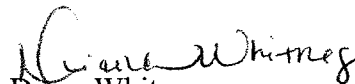
Dear Ms. Upchego:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 10, 2000. On October 30, 2001, September 26, 2002 and September 15, 2003 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 21, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
SITLA, Ed Bonner